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ABSTRACT

A historical study of the critical role played by the Ford Foundation in the 1950s and 1960s in the development of modern American graduate management education is presented. The Ford Foundation's entrance into business school reform occurred at an opportune time, as the United States was on the verge of a major boom in college enrollments, and there was a dramatic expansion of those aged 18 to 24 and those ready to invest in a college education. Under such conditions, institutions could strengthen their academic requirements while minimizing the risk of enrollment loss. The most important research and curricular changes during the decade of Ford Foundation activity occurred in quantitative techniques. The foundation was especially concerned with the apparent imbalance between advances in mathematics and those in the behavioral sciences. Four sections are as follows: (1) the Ford Foundation 1936-1953; (2) the revolution (Carnegie Tech: EDA's lightning rod, Harvard: the legitimizer, Columbia: professional education in the liberal tradition, Chicago: the behavioral sciences and business, and Stanford: the last center); (3) from big push to termination: the road not taken (spreading the word, the study of business and education for business, and a grand terminal effort); and (4) what was achieved (substantive reform, the Ford Foundation as a vehicle of reform, and conclusion: business education reform and the business community). (SM)

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**THE "NEW LOOK:" THE FORD FOUNDATION
AND THE REVOLUTION IN BUSINESS EDUCATION**

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December, 1987

The views expressed in this report are those of the authors and do not necessarily reflect those of the Graduate Management Admission Council.

EXECUTIVE SUMMARY

In a decade when both economics and education top the national political agenda, it is not surprising that the education of businesspeople has been so much in the public eye. Business education is often portrayed as critical to the health of the economy; indeed, some have charged that in miseducation lay the roots of the recent American economic decline. Critics have attacked such specific matters as the nature of instruction, course content, selection and recruitment procedures, faculty recruitment and development, and orientation toward the corporation.

Of course, one's angle of vision is crucial: the deficiencies identified by one generation of business educators may have represented the boldest innovations to a preceding generation. A historical dimension is clearly needed to clarify current debates. How, why, and when did business education assume its modern form? What were the goals of previous generations of reformers, and how did they go about achieving them? This study seeks to selectively answer these questions by examining the role played by the Ford Foundation in effecting reform in business education in the 1950s and 1960s.

In 1953, Ford Foundation officer Milton Katz invited Thomas Carroll, then dean of the School of Business at the University of North Carolina and formerly an assistant dean at Harvard Business School, to spearhead Ford's developing interest in business education and, more specifically, to outline a proposal for strengthening the case method of instruction in business. Carroll convened an Advisory Committee to propose a specific program for foundation intervention. The group, chaired by Robert Calkins of the Brookings Institution, included two individuals who would later play extremely important roles in the reform movement: George Leland Bach, dean of the Graduate School of Industrial Administration at the Carnegie Institute of Technology, and Robert Aaron Gordon, a professor of business at the University of California at Berkeley. The committee proposed support "...for a limited number of university centers of graduate training in economics and administration...[each chosen for its] promise as a center for problem-oriented, integrated research and graduate training in economics-administration, and not primarily on the university's present overall standing in research and teaching." And, complementing a more attractive curriculum orientation, the committee recommended a substantial fellowship program to draw more and better students into the understaffed academic fields of economics and business, particularly the latter. It advised the creation of several fellowships, including beginning, dissertation, and

postdoctoral awards, as well as a special program for MBA graduates continuing on to doctoral-level studies.

In short, the Advisory Committee laid out the broad outlines for Ford's involvement in the reform of business education. Having an acceptable blueprint with which to work, Carroll took little time to begin implementing it.

For business education to improve rather than to simply follow established practice, the foundation had to subsidize and encourage substantial, imaginative research in a field in which few conducted any research at all and where much of what was undertaken was descriptive, industry-specific (if not company-specific), and generally pedantic. Ford would have to invest heavily in the few researchers and the few institutions capable of generating quantum leaps in knowledge of the business enterprise.

Institutions funded under the major institutional grant program, which received the largest portion of resources devoted to business education, shared several key characteristics. All had faculty capable of conducting research that might generally affect business school curricula. All had relatively strong support from their institutions' central administrations, support that was manifested in a demonstrated willingness to invest, rather than extract, resources. All had strong faculty in cognate disciplines who, if encouraged, might contribute to changes in research and instructional agendas. Perhaps most significant, all of the institutions funded had deans who were willing to support the revolution in the face of both internal and external resistance.

The five key business schools which Ford relied upon to stimulate nationwide reform were Carnegie, Harvard, Columbia, Chicago, and Stanford. The study analyzes in some detail the reasons for their selection, the progress of educational reform at each institution, and the shifting attitudes of foundation staff toward them.

By 1958, the "revolution" in business education was most definitely on the offensive. Carroll could point to several progressive trends, including the abandonment of vocationalism, the revision of curricula (including the incorporation of the case method, mathematics, and the behavioral sciences), the reduction of specialized course offerings, the growth of doctoral programs, and a heightened research orientation. However, the revolution remained largely concentrated at the centers.

In 1957 and 1958, a tension began to emerge between two sets of priorities. On the one hand, many remained convinced that research should continue to receive the highest priority; after all, it was reasoned, the most difficult projects took time to

nurture, and the number of potential researchers was still inadequate. Others felt that without a rapid trickling down of the revolution's initial results to the hundreds of other business schools and to the many business departments within liberal arts colleges, the revolutionary elite might find itself with no following.

WHAT WAS ACHIEVED?

The Ford Foundation's entrance into business school reform occurred at a most opportune time. The nation was on the verge of a major boom in college enrollments; the dramatic expansion of the cohort of those aged eighteen to twenty-four was accompanied by an expansion of the proportion of that cohort ready to invest in a college education. Under such conditions, institutions could strengthen their academic requirements while minimizing the risk of enrollment loss.

By any measure, the most important research and curricular changes during the decade of Ford Foundation activity occurred in quantitative techniques. The Ford staff was especially concerned with the apparent imbalance between advances in mathematics and those in the behavioral sciences. As Bach observed:

...today the results seem somewhat unbalanced....The revolution in business education, subject-matter-wise, has centered around [the] increasing use of rigorous, quantitative-mathematical methods for managerial decision-making and control. Clearly, there has been too little attention in the business schools to a parallel development of the behavioral sciences and to the rapidly changing environment in which business operates. One former director...has suggested that, if anything, we were too successful in building up the quantitative foundations for management and that this stress threatens to dominate the new look in business education. An alternative view is that the Foundation should have been even more positive than it was, pushing more strongly to develop the behavioral sciences and work on the interactions of modern business with its environment.

No consensus emerged during the years of the Ford effort as to what constituted a better businessperson or how a student should be educated to become one. In *Higher Education for Business*, Gordon and Howell argued that the field was moving from a romantic view of business as a subjective art, one requiring "judgment rather than the accumulation of knowledge," to the more rationalist view, consistent with other professions, that effective practice relied upon mastery and application of a systematic

body of knowledge. Nonetheless, how curricular reform might be related to changing standards for success in business remained an enigma throughout the reform effort. At one point Ford "brought together a blue-ribbon group of social scientists to determine if one could design a research project to test the effect of improved business education on subsequent business performance. They told us it couldn't be done." In the end, no one seriously asked whether the reform movement in business education could be expected to have any direct effect on the American economy.

Can a foundation make a difference? The Ford Foundation and its advisers had assumed that as certain lines of inquiry became dominant among the centers, they would gain rapid acceptance among the "less prominent institutions." Bach later concluded that such an assumption had been naive, and that the foundation had failed "to recognize adequately many of the 'practical' problems faced by the run-of-the-mill business schools in trying to introduce the 'new look' -- problems of inadequate faculty, heavy teaching loads, inadequate teaching materials, and lack of funds to compete for well-trained newcomers in the field."

The foundation may thus have failed to complete the revolution; however, it failed not because it loved dissemination less but because it loved research more. In 1953 the Advisory Committee had viewed graduate education and dissemination as being on a par with research. When such education was discussed in the abstract, even Bach stressed the "...critical importance of the dissemination process." But while substantial sums went for fellowship support, dissemination activities were, at best, uneven. As thorough as this [dissemination] program appears," Bach later wrote, "it is clear that a larger investment in these activities was necessary to implement a *rapid* spread of the new look."

Of course, no one expected reform, even at the main centers, to go uncontested. On the institutional level, the foundation placed its hopes in a new generation of business school deans, providing them with substantial leverage in the form of funding and--indirectly, through support of research and fellowship activities--well-educated junior faculty who were dependent upon the deans for their academic futures. Although Ford attempted to routinize the reform process by holding a special seminar for new deans in the early 1960s, the consensus was that reform efforts generally failed where deans, even those armed with Ford funding, could not overcome such institutional constraints as heavy teaching loads. Such deans lamented the foundation's departure from the field in the mid-1960s, before the revolution had had time to significantly influence their institutions.

"We speak of 'professional' education for business," wrote Gordon and Howell in their report, "but in what sense is business a profession?" This question concerned many business education reformers throughout the decade of Ford participation. Most who investigated the issue, however, found that business had failed to attain any of the usually cited criteria for professions; more important, the chances for its doing so in the near future were virtually nil.

However, the reformers approvingly cited one way in which business increasingly resembled other professions: its generation of a specialized body of knowledge based upon a set of underlying disciplines. The shift toward more of a Carnegie Tech orientation, the continual emphasis on research, and the elevation of business school entrance requirements were all consistent with a striving for increased rationality in business decision making. At the outset, all were in agreement about the desirability of moving in these general directions, but in time strains appeared. As the buoyant economy of the 1960s gave way to the stagnation of the 1970s, there were definite signs that, in the wake of the Ford initiatives, significant distancing had occurred between the leaders of an increasingly autonomous educational-reform movement and their counterparts in the business community.

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THE "NEW LOOK:" THE FORD FOUNDATION AND THE REVOLUTION IN BUSINESS EDUCATION

In a decade when both economics and education top the national political agenda, it is not surprising that the education of American businesspeople has been so much in the public eye. American business schools, graduate and undergraduate combined, produce roughly 275,000 graduates per year, almost one-fourth of all degree recipients. Business education is often portrayed as critical to the health of the economy; indeed, some have charged that in miseducation lay the roots of recent American economic decline. This decade has also seen the publication of nearly two dozen reports on all aspects of American schooling, most of which have sharply criticized the substantial changes introduced during the previous two decades. Finally, the nation has gone through a lengthy period of antiprofessional sentiment, focused in large part on the alleged abuse of autonomy by those holding, and those empowered to bestow, advanced academic credentials.

Two major groups have recently investigated higher education for business. The report of the Business-Higher Education Forum appeared in 1985; the more extensive report of the American Assembly of Collegiate Schools of Business (AACSB) should appear shortly. Symbolically, both groups did much of their work during the year that marked the twenty-fifth anniversary of the publication of the Gordon-Howell and Pierson reports on business education.¹

The primary concerns of these reports have been well-rehearsed. Generally, business schools are blamed for instilling a short-term point of view in their graduates, neglecting qualitative for quantitative analysis, educating for bureaucratic rather than entrepreneurial careers, and ignoring interpersonal and social factors in decision-making.² Critics have attacked such specific matters as the nature of instruction,

¹ Robert Aaron Gordon and James Edwin Howell, Higher Education for Business (New York: Columbia University Press, 1959), and Frank C. Pierson et al., The Education of American Businessmen: A Study of University-College Programs in Business Administration (New York, Toronto and London: McGraw-Hill Book Company, Inc., 1959).

² Among the many published works on this topic see, Jack N. Behrman and Richard I. Levin, "Are Business Schools Doing Their Job?" Harvard Business Review (January-February, 1984), 140-147, C. Jackson Grayson and Kermit O. Hansen, "The Business of Business Schools," The Wharton Magazine, Spring, 1977, 46-51, 63-64,

course content, selection and recruitment procedures, faculty recruitment and development, and orientation towards the corporation.

Of course, one's angle of vision is crucial: the deficiencies identified by one generation of business educators may have represented the boldest innovations to their predecessors. A historical dimension is clearly needed to clarify current debates. How, why, and when did business education assume its modern form? What were the goals of previous generations of reformers and how did they go about achieving them? This study seeks to selectively answer these questions by examining the role played by the Ford Foundation in effecting reform in business education in the 1950s and 1960s. Contemporary actors knew well the role that foundations had played in the reform of American medical education in the early 1900s. While those in charge of Ford's business education endeavor denied a desire for so encompassing a change, all agreed that the field lacked respect within university and business circles alike, and that foundation leverage was essential to mobilizing those who were dissatisfied with the status quo.

and Paul S. Hugstad, The Business School in the 1980s: Liberalism versus Vocationalism (New York: Praeger Publishers, 1983).

I. THE FORD FOUNDATION 1936-1953

The Ford Foundation's venture into business education was propitious from the points of view of both the foundation and business school educators. Established in 1936 as a small foundation that was mainly concerned with charities in the area around the Ford Motor Company's operations, the Ford Foundation's scope broadened after the deaths of Henry and Edsel Ford since it was the primary beneficiary of both. In 1949 the Foundation held 60% of Ford stock, although all of it was non-voting. The dollar value of the stock increased substantially during the 1950s, and by the middle of the decade it became clear that the foundation had more money than it was equipped to spend. In 1948, the foundation's trustees asked H. Rowan Gaither to head a study group to define priorities for the expanded foundation. In 1949, Gaither and his associates produced a "Report of the Study for the Ford Foundation on Policy and Program", which would serve as the foundation's "bible" during its early years.

Under the administration of Paul Hoffman, the former CEO of Studebaker Corporation (recruited from the staff of the Marshall Plan), the foundation undertook a number of large expenditures loosely congruent with the broad charter of the Gaither Report. However, Hoffman left the foundation in 1952, under difficult circumstances; his replacement was the less flamboyant Gaither. Gaither terminated large, unrestricted gifts over which the foundation had no control -- such as those to the Fund for the Republic (target of substantial right-wing criticism) and the Fund for the Advancement of Education -- which were hallmarks of the Hoffman years.³ Whereas under Hoffman, the foundation had been the brunt of daily attacks by the conservative and McCarthyite right for its support of liberal and "internationalist" causes (Hoffman reported that a third of Ford's expenditures during his tenure went for overseas projects⁴), under Gaither the order of the day became "safe" grant giving. Gaither implemented a policy of close trustee consultation and involvement, as well as a deliberate program of visible, non-controversial philanthropies. Besides reflecting harsh political realities, this new orientation revealed a deep and abiding concern of the trustees that the foundation address practical problems, not open-ended abstract issues of the kind often raised in pure behavioral and social science research.

³ On the Fund for the Republic, see Thomas C. Reeves, Freedom and the Foundation: The Fund for the Republic in the Era of McCarthyism (New York: Alfred A. Knopf, 1959).

⁴ *Ibid.*, 14.

The practicality of results had received considerable emphasis in the foundation's first mention of business education which came in the form of a small-scale draft agenda written by Wyman Fiske for the foundation in 1947. Fiske justified foundation support for business education as a form of applied social science and "social engineering."

In the field of business the extent and soundness of basic social knowledge and the effectiveness of its application in a major area of human effort are clearly reflected....A study of the human relations aspects and of the social implications of the organization and operation of business enterprises should be of help in three directions: (1) It should uncover spots where better application of existing knowledge could contribute to the solution of human relations problems and social and economic problems arising in or from business operations. (2) It should uncover areas in which we need additional basic knowledge before effective solution of existing problems will be possible. (3) It could test the validity of generalizations developed in more basic studies.

Emphasizing that improved business operations were essential to the vitality of American social institutions, Fiske downplayed the possibility that increased profits would accrue to those who took advantage of newly generated knowledge. Instead, he sharply criticized the little systematic knowledge that existed as being narrowly industry specific, unscientific, and ungeneralizable. He felt that research had to be redirected from questions of how to those of why, and that it had to be conducted in the field in order to encourage investigators "to test their theories against the hard facts of reality."⁵

Fiske's observations on the state of business education were equally stringent. With regard to the undergraduate level, he noted that while "there is commonly an initial exposure of the student to every phase of business activity, a move is made as rapidly as possible toward a concentration upon technical problems in a particular area." Like Abraham Flexner in his famous 1930 polemic, *Universities: American, English, German*, Fiske derided "the attempt to 'short cut' experience and to furnish advertisers, salesmen, or handymen for banks, department stores, or transportation companies. Few, if any, of

⁵ "G. Business Research and Education: A. Research," memorandum from Wyman Fiske to Karl T. Compton and Gordon S. Rentschler, April 14, 1947, Ford Foundation Archives (hereafter F.F.A.), in Wyman Fiske, "Ford Foundation Reports and Recommendations on Policy and Program," Report 010621, 1, 2, 4.

the schools," he concluded, "attempt to tie the business training down to any scientific base of method or material. The experience is narrowing rather than broadening."⁶

The situation in graduate business education, Fiske added, was no better. He chided graduate schools for their lack of a mission.

The two most important graduate schools of business differ from the undergraduate schools principally in that they require a bachelor's degree as a prerequisite to the study of business. In curriculum and method they have not differed too much from the better undergraduate schools. Their advantages have come from the maturity and better educational background of their students and higher academic standards as to staff and curriculum.

Concluding that business practice was far ahead of teaching and that education for business leadership had been neglected in favor of entry-level skills, Fiske argued that the field was ripe for academic uplift via substantial foundation intervention.⁷

Foundation support for business education clearly fell under the guidelines for Area III of the Gaither Report -- improvement of the economy (the specific mandate read, "The improvement of the structure, procedures, and administration of our economic organizations: business firms, industries, labor unions and others.")⁸ In the midst of a Cold War where the battleground was the alleged differences in two economic systems, a foundation initiative to strengthen and improve the American economy was likely to garner wide support. "If we are to achieve a better realization of democratic goals within the United States and for the peoples of the world," stated a 1951 memorandum, "our domestic economy must stand as an example before the world as a strong and growing economy characterized by high output, the highest possible level of constructive employment and a minimum of destructive instability." In the early 1950s Ford nurtured several programs to produce "verified economic knowledge." Indeed,

⁶ Abraham Flexner, Universities: American, English, German (New York: Oxford University Press, 1930), 165.

⁷ "G. Business Research and Education: B: Education," memorandum from Wyman Fiske to Karl T. Compton and Gordon S. Rentschler, April 14, 1947, F.F.A., Report 010621, 16, 26.

⁸ Ford Foundation, Report of the Study for the Ford Foundation on Policy and Program (Detroit: Ford Foundation, 1949), 70.

during the entire period of business school reform, Ford supported a parallel program of improvement in the discipline of economics.

By 1953, several foundation officials had begun turning their attention to how individual executives might best be taught to implement new economic and related knowledge on business operations.⁹ Wyman Fiske, now a consultant to the Ford Motor Company Training Division and thus well-attuned to practical problems of company management, had recently renewed his 1947 suggestion for foundation support of reform in business education. The training of business leaders, he argued, was "...one of the important leverage points through which human welfare may be advanced," since it affected American social and political, as well as economic life. "If a generation of industrial and commercial administrators can be trained to approach their responsibilities with greater breadth and understanding of social and political implications as well as greater skill and business judgment, the standard of social, political and economic living could be raised measurably."¹⁰

By the time Gaither replaced Hoffman as president in Spring, 1952, the foundation was ready for the first time to venture seriously into Area III. The emphasis would be on "jugular" problems, "i.e., problems of central importance, to which there appears to be a real possibility that the Foundation could make a major contribution." The ideas were still vague, with the approach centered on bridging "...the wide gap which now exists between the content and discipline of economics and the actual processes of economic life."¹¹

⁹ "Conference memorandum, Program Three," January 2, 1951, F.F.A., Report 010654, 1, 2.

¹⁰ He conveyed his ideas to former assistant director of the Gaither Report, William McPeak, then of the Ford Motor Company Fund (often confused with the foundation), and soon to become a Vice President of the foundation in Detroit. (Wyman Fiske to William McPeak, undated memorandum, attached to McPeak to Rowan Gaither, September 19, 1952, F.F.A., Gaither Papers, file 46) While Fiske believed Ford could play a comparable role to Rockefeller's in the reform of medical education, McPeak's concurred to a less ambitious role, "the job that is needed being one similar to the sort of thing that the technological schools are doing on the side of liberal arts education, the best example of which perhaps is what Killian and Burchard are doing at M. I. T. Viewed in this way, I think the suggestion of a survey designed to lead to a curriculum change in the business schools is a very fruitful one."

¹¹ Milton Katz memorandum to Rowan Gaither, draft, April 29, 1953, F.F.A., Gaither Papers, file 47.

Business education appeared ripe for attack. Foundation officers could readily catalogue a list of ills that gave pause not only to educators, but also to businessmen as well. One in every seven American undergraduates majored in business, raising concerns about quality. Given the size of the post-war baby boom, most critics predicted a more substantial undersupply of faculty in the years immediately ahead. Many questioned the proliferation of narrow, excessively specialized courses and the heavy emphasis on detailed descriptions of current practice and rigid "rules" of business management. They decried what was termed "excessive vocationalism," and they distinguished between the teaching of basic techniques necessary for entry-level jobs (which, in their view, were better acquired on the job), and the educating of students for careers in business. All cited the Harvard Business School's case method as the single best pedagogical technique for executive development.¹²

That few business schools had a research emphasis was a liability critics attributed in large part to the practitioner background of most instructors. Even when professors conducted case research, the same criticisms that applied to the low level of course content could be made of the research. Indeed, critics observed that much of the best research on business came from other university divisions such as economics and sociology. Unfortunately, little contact existed between interested social scientists and professors of business. Even such basic methodological innovations as quantitative modeling (derived from operations research) disseminated very slowly.

Perhaps the greatest causes for pessimism among those who contemplated change were the perceived inadequacy of most doctoral programs, and the low quantity and poor quality of students entering these programs. Critics pointed out that what good students there were became practitioners not teachers, since even with consulting work, business professors' salaries did not match those attainable in the private sector. A more attractive intellectual agenda in business schools, they suggested, might draw better students. In any case, without significant change at the doctoral level, the entire system would perpetuate itself. Some self-conscious intellectualization was essential, they concluded, in order for conditions to be created under which "...business educators and education may forge ahead of business practice and thus contribute to its development rather than follow 'twenty years behind.'"¹³

¹² Whereas by the 1970s, the case method acquired many detractors, in the 1950s few took it on directly. Critics confined themselves to pointing out that while many other institutions adopted the case method for at least part of their curriculum, few made an effort at generalization from the specific cases at hand.

¹³ "Big Push' in Business Schools," October, 1957, F.F.A., Box 408, "PEDA Staff Memos: 1957" file.

In 1953, Ford Foundation officer Milton Katz invited Thomas Carroll, then dean of the School of Business at the University of North Carolina, and formerly an assistant dean at Harvard Business School, to spearhead Ford's developing interest in business education and, more specifically, outline a proposal for strengthening the case method of instruction in business.¹⁴ As was true of many of the early workers at Ford, Carroll became known to his colleagues through his military service in World War II. He was Dean of the Business School at Syracuse when Gaither (his cousin) recruited him to serve on the Study Committee for Area III. From there he went to North Carolina. Before agreeing to come to Ford, Carroll probably received assurances that Ford would undertake a strong initiative in Area III. Whereas prior to 1953, virtually no funds had been spent by Economic Development and Administration,¹⁵ the office at Ford with responsibility for Area III, under Carroll a careful but substantial plan for spending gradually emerged. Between 1953 and 1956 \$14 million was appropriated, a third of it in 1955-1956 alone.

The initial proposal for improving the case method offers an insight into early foundation thinking about business school reform. Harvard's imprimatur on the case method, and the obvious parallels with the cases used in medicine and law were in themselves strong arguments for making the case method central to the task of academic uplift. Beyond these concerns, however, was the strong belief that the case method was a pedagogical technique of great *practical* value in effecting widespread reform. For one, it was argued, the case method would facilitate the self-education of faculty from a variety of institutions who could be recruited into the preparation of cases. For another, the popularization of the case method would help reshape the way economics was taught by offering a more realistic content in addition to the theoretical concerns that dominated the discipline. Thus, the movement for the reform of business schools rested in large part on the appeal of its alleged practicality. And, when a May, 1953 conference of business deans and economists concluded that the effect of case method improvement might be reciprocal (i.e., causing the generation of "...more fruitful hypotheses for research with consequent significant 'improvement in the structure,

¹⁴ Many of those consulted on the status of Area III had recommended this approach.

¹⁵ Only the National Manpower Council received EDA funds before 1952. In 1952 EDA made 19 grants emphasizing economic development, foreign economic policy and natural resources. Whereas in 1952 Area III accounted for 1.7 percent of Foundation grants, by 1954 they increased to 13 percent.

procedures, and administration of our economic organizations"), the foundation's serious entry into the field had begun.¹⁶

The presence of Donald David, dean of Harvard's Business School, on the Ford Foundation Board of Trustees did not dampen the movement. In 1956, just as the foundation launched its "Big Push" into business education, David would retire from the deanship, and receive an invitation from friend and confidante Henry Ford, Jr., to chair the foundation board. He moved into a foundation office, and spent several days a week there. Although he gave full credit for the program's inception and direction to Thomas Carroll, he backed it strongly. And, while he felt constrained about urging his views on business education to the staff (save perhaps to Carroll), all knew his outlook, and his mere presence spoke volumes for its importance. All knew of his closeness with Ford, symbolized by his position as the foundation's representative on the Board of Trustees of Ford Motor Company. In addition, he played a decisive role in convincing his fellow foundation trustees to undertake the venture.¹⁷ Trustee John J. McCloy, in particular, believed it to be a waste of time and money. A prominent lawyer for Chase Manhattan Bank, McCloy questioned the very need for business schools, and suggested that his alma mater, Harvard Law School, was the best business school in the country. David, conceding it was the second best, overcame his and others' objections.¹⁸

In planning a program of aid to the education of American businessmen, Ford was entering a virtually no lose situation. The area, unlike several prior Ford ventures, was not politically sensitive (at a time when the political right was the main source of concern); with Harvard's imprimatur, it automatically became academically legitimate. Moreover, the program satisfied a variety of internal agendas, and offered the possibility of substantial leverage. That is, the venture did not necessarily have to be open-ended; it could cost a little or a lot depending upon what Ford's trustees viewed as necessary,

¹⁶ Thomas Carroll memorandum to The Program Committee, November 3, 1953, attached to Kata to Gaither, April 29, 1953, F.F.A., Gaither Papers, file 47.

¹⁷ "In the beginning the trustees alone made most of the choices. They were guided in part by the 1948-1950 Gaither study, but their choices also reflected personal experience and proclivities. Thus, the presence on the board of a dean of a business school surely influenced our decision to support ... business education." (Richard Magat, The Ford Foundation at Work: Philanthropic Choices, Methods, and Styles (New York and London: Plenum Press, 1979), 28).

¹⁸ Donald K. David, interview by Charles T. Morrissey, March 14, 1972, F. F. A., 24-25.

and it promised fairly rapid and visible returns. Tom Carroll was a known quantity; he was deliberate and methodical; knew, understood, and followed procedures; was rarely subject to impulse, and had garnered respect among the communities of business educators and businessmen. Perhaps as important, he was perceived as an administrator, rather than an intellectual in his field, someone who could facilitate the work of others and recognize quality in a variety of guises, rather than exhibiting and implementing a dogma of his own. An academic administrator who differed more from Robert Hutchins -- the foundation's highly visible, intellectually brilliant, and controversial former associate director -- would have been hard to find. Carroll gave the program close attention, partly out of personal interest, partly because his staff was quite small, and partly because his style was to run a tight ship. The reform of business education needed the direction of someone who was one of the tribe; Carroll, with Donald David in the background, and the economists he chose to run the program in the foreground, supplied the necessary legitimacy.

In October, 1953, soon after he arrived at the foundation, Carroll convened an Advisory Committee to propose a specific program for foundation intervention. The group, chaired by Robert Calkins of the Brookings Institution, included two individuals who would later play extremely important roles in the reform movement: George Leland Bach, dean of the School of Industrial Relations at the Carnegie Institute of Technology; and Robert Aaron Gordon, a professor of business at the University of California at Berkeley.¹⁹ Also included were seven other university professors, two representatives of non-profit organizations, and one businessman. Five of the nine academics were economists, two taught business administration, and two straddled both fields.²⁰

The Advisory Committee recommended an "integrated program" of research, knowledge dissemination, and personnel development to offer solutions to important economic problems in four areas:

- (a) improvement of organization, administration, and performance of economic units [the report placed business firms at the top of its list of units²¹],
- (b) achievement of growth, development, and economic

¹⁹ Other members included Kenneth E. Boulding, Robert D. Calkins, John Maurice Clark, Walter E. Hoadley, John Lintner, Howard B. Myers, Lloyd G. Reynolds, Edward S. Shaw, Gordon Siekin, and R. Miller Upton.

²⁰ See Carroll to Gaither, February 23, 1955, F.F.A., Gaither Papers, file 47.

²¹ Robert Calkins et al., "Program for Area III," January 15, 1954, F.F.A., Report 004937, 10.

opportunity without undue instability, (c) attainment of appropriate balance between freedom and control and improvement of public and private policies, and (d) improvement of economic relations among nations.²²

These goals were eminently understandable given the economic conditions confronting Post-War America. The country had emerged from World War II fearing a renewal of the Great Depression; each of the frequent post-war recessions raised that spectre again. "Democratic institutions in a number of countries, the maintenance of peace, and the security of the Free World," the Committee stated, referring to the second area, "would be in jeopardy were a serious depression to develop in the United States, not to mention the unemployment and lowered living standards that would be suffered in this country."²³

In projecting an appropriate research agenda to solve these problems, the Committee emphatically rejected "...scholarly research on more or less unrelated topics as a way of meeting the problems of economic life."²⁴ To be sure, the Committee insisted that the research be fundamental, as opposed to applied, and recommended against a preoccupation with immediate problems.²⁵ However, the research had to be designed to "...improve and supplement traditional scholarly work, by fostering activities directed toward the solution of specific economic problems, so that more effective contributions may be made toward the improvement of economic life."²⁶ Such inquiries implied opportunities for substantial interdisciplinary cooperation; the Committee particularly stressed the role that the social sciences (not only economics) could play, especially in organizational and administrative studies (e. g., goal setting, policy-making and implementation, understanding motivations, and reward structures).

²² Ibid., 3.

²³ Ibid., 16.

²⁴ Ibid., 5.

²⁵ Ibid., 7.

²⁶ Ibid., 6.

Finally, the Committee stressed the importance of integrating knowledge dissemination and practitioner preparation with research. The former, of course, incorporated the general education of the public, but it referred more specifically to the development of means to communicate research results to "...those who direct affairs."²⁷ This led to the Committee's final recommendation, "...that Program III devote a substantial part of its resources over the years immediately ahead to developing more effective programs for training professional personnel to deal with the problems outlined above and to encourage men of first-rate ability to devote themselves to these problems."²⁸ The Committee proposed support "...for a limited number of university centers of graduate training in...economics and administration...[each chosen for its] promise as a center for problem-oriented, integrated research and graduate training in economics-administration, and not primarily on the university's present over-all standing in research and teaching."²⁹ And, complementing a more attractive curriculum orientation, the Committee recommended a substantial fellowship program to draw more and better students into the understaffed academic fields of economics and business, particularly the latter. It advised creation of several fellowships, including beginning, dissertation, and postdoctoral awards, and a special program for MBA graduates continuing doctoral level studies. Concerning this last group, the Committee recognized that chosen individuals might have made important social contributions by direct participation in business, but noted the need for high-quality business faculty and expressed hope that adequate funding might lead some to consider seriously the advantages of an academic career.³⁰

In short, the Advisory Committee laid out the broad outlines for Area III's development. For the next decade, the foundation would engage in substantial, parallel

²⁷ Ibid., 27.

²⁸ Ibid., 29.

²⁹ Ibid., 30-31. "Departmental barriers, and traditional biases for or against theory and empirical work as such, should be considered realistically in judging how likely universities are to become active centers for problem-oriented research and training. Ideally, such centers should provide closely integrated work among economists, men in the several areas of business administration, and other social scientists."

³⁰ Ibid., 32, 36. The Committee cited Howard Bowen, Graduate Education in Economics, a supplement to the American Economic Review 4, part 2 (September, 1953), chapter 5, for further information on entrance into the graduate fields.

activities to improve the study and practice of business administration, as well as the discipline of economics. It urged the foundation to work, whenever possible, with established institutions (perhaps a reaction to Ford's early tendency to establish entirely new, massively funded, uncontrolled enterprises); to encourage development of a moderate number of "centers," each with some distinctive orientation; to be venturesome and prepared for some failures; to retain an adequate and knowledgeable staff; and to allow the program five to ten years to mature and produce results. Carroll adhered to the Committee's major recommendations throughout his tenure at the foundation.

Given the turbulence of the Hoffman years (still of very recent memory); the relative acceptability and non-controversial nature of funding in this area; the trustees' desire for greater control over appropriations; the philanthropoids' belief in the area's ripeness for leverage; the presence of particularly interested trustees and staff; and the acceptability of the contemplated changes to universities' central administrations with which the foundation would work on many other projects, a modest (by Ford standards) venture into the reform of business education proved highly attractive. The reform agenda in business education, moreover, was obviously congruent with a general push in professional education in the 1950s towards "upgrading," that is, academicization of their fields of knowledge. Having an acceptable blueprint with which to work, Carroll took little time to begin implementing it.

II. THE REVOLUTION

When a Ford philanthropoid defines the ideal project as one that is (a) self-liquidating, (b) has plenty of leverage, and is both (c) programmed from within and (d) a response to a felt need, he means (a) that it will either be completed or taken over by someone else after a reasonable period, (b) that it stimulates others to put in money, too, (c) that the members of the staff didn't merely open their mail but thought up the project themselves, and (d) that it is something the beneficiaries felt they need, as opposed to something they just passively accept.³¹

In an unpublished evaluation written in 1966, James Howell labelled Ford's business education program "a philanthropoid's dream." "It was," he wrote, "a problem of major social importance, yet it was largely unrecognized....As an area for reform it was almost totally neglected by other foundations, government agencies, and even universities themselves....It had glaring, obvious defects....An acute personnel shortage meant that a New Look could be achieved in less than a generation (and the leadership, for what it was worth, was old)....Because of size, any substantial change would require large-scale aid on a continuing basis....A combination of education and business, it was politically safe."³² In other words, the difficulties were considerable, but treatable. For business education to improve, rather than to simply follow established practice, the foundation had to subsidize and encourage substantial, imaginative research in a field where few conducted any research at all, and where much of what was undertaken was descriptive, industry-specific (if not company-specific) and generally pedantic. Ford would have to invest heavily in the few researchers and the few institutions capable of generating quantum leaps in knowledge of the business enterprise.

Ford could not afford to gamble on any one approach; its funding reflected an implicit eclecticism in support of alternative outlooks and a recognition that not all of them would bear fruit. There was by no means unanimity as to which disciplines or fields of investigation were most likely to produce insights that would compel significant changes in business education and, eventually, in business practice. This led some critics to claim later that if there had been change at all, it was in credentials, rather than in

³¹ Dwight MacDonald, The Ford Foundation: The Men and the Millions (New York: Reynal and Company, 1956), 100.

³² James E. Howell, "The Ford Foundation and the Revolution in Business Education: A Case Study in Philanthropy," September, 1966, F. F. A., Report 006353, 1-2.

knowledge. Attraction of better students and faculty would have a salutary effect on business practice, no matter what the curriculum.³³ However, to contemporaries, and especially to Ford officers who could easily cite many remediable deficiencies in current instructional practice, improvements in curricular and student quality were inseparable. But, of course, research could only be encouraged; neither its undertaking nor its beneficial results for practice could be predicted in advance.

Such considerations led Carroll and his assistants to concentrate the bulk of foundation aid in a relatively small number of institutions. "The purpose of the major institutional grants," wrote John Wheeler, a University of California, Berkeley business professor who in an unpublished 1965 study evaluated the entire business intervention program, "was to establish centers of excellence which would become standards for developments in other institutions and from which new faculty, research results, and teaching materials would emanate and be spread throughout the schools of business."³⁴ Institutions funded under this program, which received the largest portion of resources devoted to business education, shared several key characteristics. All had faculty capable of conducting research which might generally affect business school curricula. All had relatively strong support from their institutions' central administrations, and/or support that was manifested in a demonstrated willingness to invest, rather than extract, resources. All had strong faculty who in cognate disciplines who, if encouraged, might contribute to changes in research and instructional agendas.

Perhaps most important, all had deans who were willing to support the revolution in the face of both internal and external resistance. Indeed, the existence of a strong dean committed to the revolution's essential tenets appeared an inescapable, if informal, prerequisite for foundation support.³⁵ Even on "elite" campuses, by no means all faculty viewed the situation as the foundation did. A strong dean could introduce and encourage changes, even if they involved short-run costs (e.g., the abolition of

³³ Randall Collins, The Credential Society (New York: Academic Press, 1979).

³⁴ John Wheeler, "Report to Ford Foundation on Changes in Collegiate Business Education in the United States 1954-64 and the Role of the Ford Foundation in these Changes" (draft, September, 1965), F.F.A., Report 004933, 128.

³⁵ See "Activities of Program in Economic Development and Administration During Fiscal 1956," memo from Carroll to The President and Program Committee, July 9, 1956, F.F.A., Report 010429, 4.

undergraduate business education), and could keep central administrative support in line. He could hire junior faculty educated in the newer research methods and use the power of promotion to encourage research productivity. Perhaps most important, he could identify a theme for his institution to use in acquiring intellectual capital and developing a distinctive approach to the reform of business education. Harvard's Stanley F. Teele (appointed in 1955, replacing Donald David), Carnegie Tech's George L. Bach, Columbia's Courtney Brown (appointed in 1954), Chicago's Allen Wallis (appointed in 1956), and Stanford's Ernest Arbuckle (appointed in 1958) all fit the needs of the program and received large amounts of foundation support.

The Advisory Committee, the Ford trustees, and the foundation staff knew that the creation of centers of excellence would not in itself effect a revolution.³⁶ A deliberate, concerted effort was required to disseminate research and curricular results to the bulk of American business schools. Throughout the ensuing years, Carroll and his staff constantly discussed possible dissemination activities, and several important projects (most notably, the Gordon-Howell Report) were launched. But even the Gordon-Howell survey was initially undertaken to provide "working memoranda for internal foundation use." As for a published report for national circulation, "The possibility...remains open," Carroll wrote, "but has been deferred until the findings are in sight." If the revolution were to be based upon the generation of new knowledge, research had to be the first priority.³⁷

Finally, Carroll addressed the issue of the recruitment and education of the next generation of business educators. These included not only those entering or obtaining doctoral education in business, but also recent graduates considered capable of benefiting from the anticipated changes in knowledge about business. The effort could and would be tied to the various activities covered under the research rubric, but it also included several distinctive fellowship and training programs.

³⁶ "The experience with institutional grants clearly shows that a million dollars can go a long way in establishing a center of excellence if the knowledge of how to achieve excellence exists and institutional constraints are not too great. The impact of such a center on the broader field, however, is a function of the nature and quantity of exposure of others to the work of the center and this must be carefully planned and requires substantial outside support." (Wheeler, "Collegiate Business Education," 130)

³⁷ Carroll to the President and Program Committee, "Outlook for the Program in Economic Development and Administration in Fiscal 1957," F.F.A., Report 010431, 3.

"The strategy," wrote James Howell at the end of the Ford venture,

is so conventional as to deserve the label "classic." Phrases like "centers (or peaks) of excellence" and "trickle down" which became commonplace in EDA (cf. docket items for those years) are standard philanthropoidese. (Only by the grace of [early Ford Foundation chronicler Dwight] MacDonald were we spared the full bit--"trickle down from peaks of excellence to grass roots.") Cliches, conventionality and lack of imagination aside, the strategy was a sensible one, and even from the perspective of a dozen years it can't be seriously faulted.³⁸

Fortunately, the Ford Foundation Archives contain sufficient data to trace the development of most key aspects of the venture. We will briefly discuss first, five schools that were considered "centers" in the order in which they received their initial major grants, next the various ancillary research initiatives (e.g. research grants to less prominent institutions); and, finally, programs aimed at dissemination and at doctoral and postdoctoral education. In so doing, we offer an interpretation of the program's fate. An initiative dependent upon the creation of research results could not predict where or when those results might emerge. In the early 1960s the program lost its greatest supporter when Thomas Carroll left to become President of George Washington University. It also appears to have lost internal support as it became more and more (rather than, as was intended, less and less) a research program. Professorial autonomy, that is, the arrival of the academic revolution to business education, came at the cost of continued support by foundation trustees whose main concern from beginning to end lay in solving the problems of the "real world."

³⁸ Howell, "The Ford Foundation," 6-7.

A. CARNEGIE TECH: EDA'S LIGHTNING ROD

Founded in 1949, the Graduate School of Industrial Administration of the Carnegie Institute of Technology did not have to contend with a changing of the guard. Established as a graduate school with a defined research mission and an emphasis on doctoral education, it had recruited an eclectic faculty--all committed to the application of social-science concepts (especially economics) to the study of business administration. During Carroll's tenure at Ford, Dean George L. Bach, after serving on the Committee which formulated EDA's charter in 1953, became a close advisor. When Carroll left in 1961, Ford offered Bach the position as Carroll's replacement.³⁹ If he had accepted that post, the history of Ford's relationship to business education might not have entered a terminal stage a few months later.

By the time that Carnegie submitted its proposal in 1953, most of the schools key program elements were in place. Terming itself an institution dedicated to the development of problem-solving abilities based on the use of fundamental knowledge (as opposed to the development of "narrow skills and encyclopedic information"),⁴⁰ Carnegie had retained a productive, multidisciplinary faculty, and had begun a small, selective M.S. program, an "advanced management" program for executives, and a doctoral program. It requested Ford funding for doctoral fellowships and for retention of an additional senior faculty member to work in the doctoral program. The proposal emphasized the need for well-educated professors who could convey the social scientific insights generated at Carnegie, and who might otherwise be drawn into private industry.

³⁹ Heald to Bach, February 2, 1961, and Bach to Heald, February 19, 1961, F.F.A., The O.P. Papers of Henry T. Heald, Group 22, Box 2, Series 1 (hereafter Heald Papers), file 28.

⁴⁰ G. L. Bach, "Proposal to the Ford Foundation for Partial Support of a Pioneering Center for Graduate Study and Research in Industrial Administration--Economics," 2, attached to Bach to Carroll, September 7, 1954, F.F.A., 55-10, Section 1. "The School's central research focus is the behavior of business firms--to understand better how firms do behave; to improve their organization, decisions processes, and over-all effectiveness; and to use an improved 'theory of the firm' more effectively as a tool for public policy formation on such matters as tax policy, monetary policy, and anti-trust policy where existing economic theory is agreed to be seriously deficient. This focus is suggested by the titles of three major organized research projects currently underway: 'The Behavior of Organizations,' 'Planning and Control of Industrial Operations,' and 'Operational Analysis of Firms in the Transportation Industries.'" (5)

The foundation approved the grant as proposed (indeed, the docket prepared for the trustees employed much of the proposal's language), and the fellowship program became the forerunner of a similar Ford sponsored, national program undertaken several years later. Over the next decade, Carnegie Ph.D's found academic positions in many business schools undergoing reform.⁴¹ Carnegie received two more grants from Ford, one was for support of research on organizational behavior, especially of the business firm, the other was for endowment of a rotating research professorship in industrial administration and economics. While not the recipient of the greatest dollar amount of Ford monies, Carnegie received favored treatment despite its small size and its large original endowment. The institution bore the brunt of criticism sometimes directed at Ford's program for the lack of practical orientation--indeed Bach once sent Carroll a textbook by one of his faculty demonstrating the School's attempts "...to bring its research down to the level of practical operating usefulness in the various areas of business." Noting that a firm which allowed itself to be the subject of investigation had hired some recent Carnegie master's graduates as a result, Bach concluded, "Maybe research pays after all."⁴² In Ford's eyes, though, Carnegie had nothing about which to be defensive. As James Howell later put it: "Here was the advanced projects laboratory, the R&D group that EDA had to find or create; fortunately, it already existed."⁴³

⁴¹ "Report on Use of Ford Foundation Funds, 1955-1961," undated (c. November 10, 1961), F.F.A., 55-10, Section III.

⁴² Bach to Carroll, October 7, 1957, F.F.A., 55-10, Section IV.

⁴³ Howell, "The Ford Foundation," 9.

B. HARVARD: THE LEGITIMIZER

The grants to Harvard and Carnegie were a study in contrasts. Whereas Carnegie had requested and received \$250,000, Harvard had originally requested \$6 million but scaled its request down to \$2 million, which it received. Whereas Carnegie centered the school's entire agenda around research, at Harvard research was only one of several objectives. Following World War II, Harvard had undertaken an ambitious fund-raising drive with a \$20 million goal. Although meeting its objectives in three of four identified categories -- new buildings, endowment for the School's educational program, and financial aid to students -- it had only begun to concentrate on its quota for research endowment. Carnegie had already integrated the "social sciences" into its master's and doctoral programs, but Harvard based its programs primarily on the case method. A 1954 Ford document described recent plans to reorganize the doctoral program.

The doctoral program will be expanded and revised to provide for more teachers of business administration, to achieve a level of 40 candidates per year versus three per year in the recent past. As most candidates have been trained in "commerce" schools, their first year will be spent in learning "administration." During the second year they will be case assistants, and during the last year they will work on dissertations. It is planned to provide fellowships for the dissertation work so this may be done before undertaking research responsibilities. A year of economics is no longer required of D. B. A. candidates, although almost all of them do take Professor Lintner's Economic Analysis course. Candidates are examined, however, on the economics, public policy and business historical implications of their special fields.⁴⁴

Carnegie's hope to expand its doctoral program by a handful could not have contrasted more greatly from Harvard's aspiration to expand from three to forty (five years later, Stanford proposed a similar-scale expansion). And Harvard's emphasis on endowment ("...to attempt to reduce some of the necessity for money-raising on the part of future Deans"⁴⁵) stood in contrast to Carnegie's request for term funding.

⁴⁴ Oscar Harkavy to Files, September 10, 1954, F.F.A., 55-02, Section IV, 2.

⁴⁵ Ibid., 1.

At first glance it appears that the foundation used a double standard in funding the two programs. Some of the disparity may be explained by Harvard's much larger size, and some by Carnegie's substantial endowment. But Harvard's funding was inevitable, not only because of the strong Ford-Harvard connection (Donald David, Thomas Carroll), and because of Harvard's emphasis on clinical work and general management, but also because of the school's function as a legitimizer. As James Howell later reflected, Harvard "...by its size and history...dominated business education to the extent any one school could...its standing in the business community was unequalled..."⁴⁶ Although parts of the Harvard proposal probably merited greater scrutiny (recall that Ford substantially reduced the Harvard request), it may be more accurate to say that the Harvard gift legitimated the smaller gift to the less well-known Carnegie Tech, and subsequently to other institutions, where reputation may have even more greatly outdistanced productivity.

Donald David's friendship with Henry Ford, of course, did not hurt Harvard's chances, but a congruence of outlook, more than personal ties, probably better explains Harvard's success in capturing more foundation support than any other institution. Harvard, like Carnegie Tech, requested funding for social scientific research. Even more than Carnegie Tech or other leading proponents of applied social science research, though, Harvard could boldly claim that its approach had already "immediately and directly"⁴⁷ affected business practice. Elton Mayo's Hawthorne study "...has been the standard of the study of social behavior in business ever since," observed Donald David,⁴⁸ who could also cite the work of Lawrence Joseph Henderson and that of his protege, Fritz Roethlisberger (who was already supported by Ford money).⁴⁹ Ford's recent unhappy experience at the University of Chicago with the funding of "pure" research by Bernard Berelson led the trustees to uphold an unwritten criterion in regard

⁴⁶ Howell, "The Ford Foundation," 7-8.

⁴⁷ "To the Trustees of the Ford Foundation: A Proposal of the Harvard Graduate School of Business Administration," November 16, 1953, F.F.A., 55-02, Section I, 1.

⁴⁸ Donald David interview, 21.

⁴⁹ The grant funded a group of Teaching Fellows from the business and academic worlds who studied "...advanced problems of research and practice..." ("To the Trustees...", 12) In a report to Ford, Roethlisberger suggested that "...clinical training be given first, to be followed by disciplinary training in social psychology, cultural anthropology, etc." (Harkavy to Files, September 10, 1954, 2)

to future funding in this area, namely, the ability of business administration research to contribute to the further development of the social sciences. In this regard, Harvard's few academic stars excelled.

In contrast, but equally desirable from the trustee's vantage point, the Harvard case method promised the integration of advanced business education and research. The doctoral program was built upon the MBA approach in that both viewed administration as an "art" not derivative from a systematic body of knowledge; instead it emphasized preparation of, and instruction in, cases from which the student would acquire "judgment." Doctoral study consisted of examinations on the student's MBA work and on a special field, and a thesis which "could be characterized as a large case study emphasizing the managerial aspects of the problem being studied." The required research seminar stressed case preparation.⁵⁰ Ford's trustees could easily grasp a pedagogical emphasis on managerial problem-solving, and could envision how increased resources could be employed by Harvard efficiently for (case) research and for doctoral program expansion.

Originally Harvard proposed to increase its research budget by over a third, from \$453,000 to \$660,000 per year, drawing on the income of the desired \$6 million endowment.⁵¹ However, although Ford displayed willingness to endow aspects of its business reform agenda, the requested funding appeared disproportionate to the perceived benefits. As a result of subsequent negotiations in which Harvard reiterated its desire for endowment, Ford negotiated a \$2 million gift, half of which would go to the endowment of two research professorships (one was eventually named the Thomas H. Carroll Professorship of Business Administration), the other half to general support of research and doctoral-related activities for a five to ten year period. "General support" activities included doctoral program expansion, increased use of the behavioral sciences in business administration, dissemination of the case method, basic or exploratory research, and development of foreign programs. The latter was an area of increasing concern to Carroll, and Ford authorized such activities as foreign student and faculty recruitment, translation of some cases, and an occasional visit abroad by a Harvard

⁵⁰ Gordon and Howell, Higher Education for Business, 404-405.

⁵¹ Actually, the amount requested would have permitted a somewhat greater expansion, but Harvard, again in contrast to Carnegie, apparently intended to divert some current research resources (\$67,000) to other purposes.

professor.⁵² These activities were consistent with the 1953 Advisory Committee report; indeed, as one of the first two grants made after that report's acceptance, it set the tone for many future grants.

Ford Foundation officials viewed the Harvard and Carnegie grants as essentially complementary, "...in that the former puts primary emphasis on the 'clinical approach' in business education, while the latter places primary emphasis on the 'scientific' contributions to the art of business administration through mathematics and the social sciences."⁵³ And, for all their differences, the two schools had two important common elements: they were both exclusively graduate schools, and they both offered doctoral education in administration, as opposed to either applied economics or functional-field concentration. From the outset, Carroll and his colleagues believed that the future of business education lay on the graduate level. "...I thought then, and still think," said Donald David,

that there is very little excuse for an undergraduate school of business. I think a young man would be very much better off to take a liberal arts program and take his business courses as a graduate program. I often said when I was dean of the Business School that I'd much rather the man came into school and have a year in the appreciation of music and appreciation of arts than a course in accounting. We could teach them the accounting, but we couldn't do the other, and that's his chance in the liberal arts program to get some knowledge of the past, because I don't see how you can deal with the future very well unless you've got some understanding of what's happened before.⁵⁴

Robert Gordon and James Howell succinctly outlined the similarities and differences in Harvard's and Carnegie's approaches to "administration" in their famous report. Both, they contended, assumed "that business administration can be viewed as a more or less independent or integrated discipline." But Harvard's program provided

⁵² Docket excerpt, Economic Development and Administration, "Research and Advanced Training-Harvard Graduate School of Business Administration," October 29-30, 1954, F.F.A., 55-02, Section I, 1-2.

⁵³ Ibid., 3.

⁵⁴ Donald David interview, 24-25.

little or no training in research methods other than case preparation. No central body of theory was recognized, nor were there any core fields required of all candidates beyond what was necessary for the M.B.A....The Carnegie Tech program prepares its student primarily for active careers in research, and especially in the new frontier areas in which many of its faculty have been working....Doctoral training at Carnegie Tech is obviously much more oriented toward a sophisticated kind of research training than it is at Harvard, which emphasizes research training much less and preparation for teaching considerably more.⁵⁵

Although a standard bearer, Harvard was not unaffected by other aspects of the revolution. Within a few years, Gordon and Howell perceived changes in both rhetoric and substance. "Harvard has now begun to move away from this extreme 'administration-as-art' emphasis in its doctoral program," they reported. "The school is attaching more importance to systematic knowledge and to training in research methods, and the program is now conceived as building on more than what is required for the M.B.A. degree."⁵⁶

With the initial grants to the two most conspicuously worthy recipients in place, Carroll and his staff turned towards rounding out the list of "centers." David's previously-quoted remarks concerning liberal learning give us one clue as to why the foundation next turned to the "Colossus on the Hudson."

⁵⁵ Gordon and Howell, Higher Education for Business, 405-406.

⁵⁶ Ibid., 405.

C. COLUMBIA: "PROFESSIONAL EDUCATION IN THE LIBERAL TRADITION"⁵⁷

James Howell minced no words: Columbia was an "unmitigated" failure.

Its proximity to the Foundation...probably made its selection inevitable even though it didn't meet the criteria of scholarship and leadership....There is no easy explanation why the Foundation continued to pour additional money into Columbia after it was apparent it would not change enough to become a center as required by the overall strategy. Perhaps Columbia's closeness to the Foundation simply made it inexpedient to exclude it from subsequent dockets. It is interesting to speculate as to how much of the guilt the Foundation must bear for Columbia's failure to grow; with the repeated reinforcement in the form of Foundation money, Columbia certainly had no incentive to change.⁵⁸

Howell's remarks to the foundation pulled a punch; he clearly blamed, but did not name, Columbia's dean of business, Courtney C. Brown. No doubt, Ford owed Robert Calkins (dean at Columbia before going to Brookings) a debt for specifying the EDA agenda in 1953, but its obligations to Brown were far greater. Indeed, during his tenure at Jersey Standard prior to coming to Columbia, Brown and company president Frank Abrams, a foundation trustee, had played a key role in the foundation's history. Despite Brown's "closeness to the Foundation," however, we believe that the Columbia grants should not be explained away as mere patronage. Brown had a distinct scenario for business education reform--quite distinguishable from those of Harvard and Carnegie. And, perhaps equally important, Columbia offered an important test of the prototypical *method* of effectuating reform. If strong foundation support of a strong dean could not bring about change at Columbia (recall that Carroll himself was a dean at two institutions), perhaps the strategy of working through reform-minded deans of business would have to be rethought.

Courtney Brown came to the Columbia deanship in 1954, directly from Jersey Standard. After several years of teaching at Columbia while obtaining a Ph.D. in

⁵⁷ Professional Education in the Liberal Tradition (New York: Graduate School of Business, Columbia University, 1960).

⁵⁸ Howell, "The Ford Foundation," 11-12.

economics (1940), he spent the war in Washington, before going to work for the oil company. He soon became assistant to its chairman, Frank Abrams, whose concern with the relationship of higher education and business sparked Brown's interest. For the next decade, they worked together on several projects to improve that relationship, including experimental employment of academic social scientists in the company, and creation of the Council for Financial Aid to Education to encourage corporate support for higher education. As a Ford Foundation trustee, and chair of the Fund for the Advancement of Education, Abrams had been intimately involved in foundation affairs during the period of the Gaither Report. Functioning as Abrams' deputy, Brown apparently played a key role in the transition from Hoffman's to Gaither's presidency, and in other foundation matters.⁵⁹ Thus, Brown was assured a careful hearing when he became a foundation supplicant shortly after assuming the deanship; indeed, Frank Abrams' chairing of Columbia's committee of "Affiliated Business Fellows" virtually assured a positive response from Ford to a Columbia application.⁶⁰

But Brown possessed a defined outlook on business education which, key foundation staff initially agreed, appeared to hold substantial merit as an alternative to the Harvard and Carnegie approaches. His own Columbia College education included courses in Contemporary Civilization, the western civilization sequence required of all freshmen and sophomores. The intellectual broadening he acquired from that experience, as well as the many interactions with diverse public and private constituencies while at Jersey Standard, led Brown to view the corporation as a key societal actor, and to view the best education for business as one preparing the student not only for vocational success, but also for "a career as a business citizen who can be expected to exert a constructive influence on the community." Brown reconciled his esteem for liberal education with the necessity for business studies by concluding that any subject matter could liberate "if it were presented and studied historically, comparatively, and analytically....If approached with an open and dispassionate manner, a course in accounting can liberate the mind as effectively as a course in the writings of Chaucer. After all," Brown concluded, "accounting is the language of business, and it has deep historical roots."⁶¹ Whereas to someone like George Bach or James Howell,

⁵⁹ Courtney C. Brown, The Dean Meant Business (New York: Graduate School of Business, Columbia University, 1983), 124-126.

⁶⁰ The presence of Neil Chamberlain, a Brown appointee to the Business School faculty, on the foundation staff in the late 1950s may also have influenced Columbia's fortunes.

⁶¹ Brown, Dean Meant Business, 131.

research inevitably preceded curricular reform, to Brown historical and philosophical discourse would yield extant truths about the relation between business and society that could, and should, be immediately incorporated into new business curricula for practitioners. Thus while Bach emphasized research in his applications and his advice to the foundation, Brown's centerpiece effort consisted of massive reform of the master's curriculum.

Brown's first application to the foundation attempted to establish the school as worthy of the treatment accorded Harvard and Carnegie Tech. Here, he emphasized the positive: the school's relatively long history, its innovativeness (as manifested by its 1946 decision to abandon undergraduate business studies), its "dignified rank and influence," its research, its community and corporate support, its faculty of "outstanding ability," its location, its curricular eclecticism, its student body, and, not least, its able administration. Brown requested support for three initiatives: endowment of chairs in (1) international business, an area in which Columbia staked out an early claim, and in (2) "financial accounting," an area Brown considered ripe for rethinking, given twentieth century changes in the structure and philosophy of the corporation; and (3) a grant for a contemplated research fund to be financed mainly by corporate contributions.⁶² In total, Columbia requested \$2,000,000, half for the two endowed chairs, half for the research fund.

Of course, a proposal to a potential source of funds is never the entire story. Brown himself presented a different picture in his memoirs.

In the early weeks at the Business School, I became aware of the real condition of the institution I had joined, and much of what I saw was a disappointment. The School had had a number of widely recognized faculty members, but by the time of my arrival they had begun to retire and were not being replaced at the same level. Each of the fourteen divisions of the School was a small fiefdom, and relations between several of these divisions were strained. With these divisional rivalries, the School had no clearly defined purpose. Faculty members pretty much taught what they wanted; the result was a loss of coherence and integration. A few years before my arrival as dean, the School had

⁶² "Presentation of the Graduate School of Business of Columbia University to the Ford Foundation (June, 1955)," F.F.A., 55-228, Section I.

dropped its undergraduate program to offer only graduate-level courses in business, but it appeared that many courses had become graduate-level only by changing their course numbers in the catalogue.⁶³

Writing thirty years later, Brown had as much of an interest in making the business school look bad as he had had in making it look good to Ford in the mid-1950s. The school in fact had real deficiencies; Brown in contemporary documents specifically cited unproductive senior faculty, and inadequacies in the physical plant, salary scale, and resources for research. He also hinted at a possible curricular reform initiative.⁶⁴

Carroll knew that the Columbia situation had to be handled carefully. Upon receipt of Brown's application, he wrote for the record that "My overall impression in reading the material is that Columbia is clearly behind Harvard Business School and Carnegie Tech in practically every respect."⁶⁵ However, Carroll contemplated a major grant to Columbia, and the \$625,000 finally awarded reflected a percentage cut from the school's original request no greater than that experienced by Harvard. The foundation contributed half the endowment of the accounting professorship, offered five years of support for Columbia's work in international business in lieu of the endowment request, and committed \$50,000 annually for five years to match corporate contributions for faculty research.⁶⁶

Such a relatively large sum probably should not be attributed simply to clout; in fact, the Columbia relationship held multiple attractions. Carroll took Abrams' chairmanship of the "Affiliated Business Fellows" as an opportunity to nurture corporate philanthropy--the income source which he envisioned would eventually replace

⁶³ Brown, Dean Meant Business, 4.

⁶⁴ "Presentation," pp. 15, 23-29, Brown to Carroll, August 23, 1955, F.F.A., 55-228, Section I.

⁶⁵ Carroll to "The Files," August 15, 1955, F.F.A., 55-228, Section IV.

⁶⁶ Docket excerpt, Economic Development and Administration, "Columbia University Graduate School of Business," September 30, 1955, F.F.A., 55-228, Section I. Carroll informed Columbia that permanent funding for the international business chair "...might be considered by this and other foundations on the basis of accomplishments during the five year period." (Carroll to Grayson Kirk, October 3, 1955, F.F.A., 55-228, Section IV)

foundation funding.⁶⁷ Coming from the "outside" and indeed from the corporate world, Brown might prove a major test of the "strong dean" strategy for reform implementation. That is, minimally, he was not likely to permit personal ties or academic courtesy to inhibit his reform efforts; more, he might be expected to work with the efficiency and expediency commonly attributed to those with business backgrounds.⁶⁸ Brown spoke the rhetoric which the Ford trustees, taken as a group, expected to hear. "I should hope that the research would be for the most part 'problem oriented,'" he wrote, "The risks of research becoming abstract in nature, tenuously related to the real problems of the business world, are not to be minimized; and once a highly generalized project gets under way it is particularly difficult to bring it to a conclusion, it seems to me."⁶⁹

Finally, Brown's articulation of a substantially different conception of business education, emphasizing the humanistic and contextual aspects of business (especially "the relationship of the institutions of business to the value structure of the society that gives business its right to exist and thrive"),⁷⁰ making qualified use of the social sciences⁷¹ but denigrating quantitative methods and models,⁷² represented an interesting, if

⁶⁷ Carroll wrote that subsequent foundation funding would largely depend on "1) the extent of demonstrated alumni support 2) the record which is built up as a result of the current gift of this Foundation, of business firms, and alumni under the 'new' program for financial support." (T. H. Carroll to the files, August 15, 1955, F.F.A., 55-228).

⁶⁸ "Had I been more knowledgeable of academe and more aware of the School's actual condition," Brown wrote, "I might well have lacked the courage to accept the responsibilities of the deanship." (Brown, Dean Meant Business, 144-145)

⁶⁹ Brown to Carroll, August 23, 1955, F.F.A., 55-228, Section I.

⁷⁰ Brown, Dean Meant Business, 157.

⁷¹ "I asked a well-known sociologist to describe its [behavioral science's] content," Brown wrote, "That's easy," he said, "A sociologist with a slipstick in his pocket, perhaps with an emphasis on environmental influences." (Ibid., 152) Columbia eventually hired Leonard Sayles as its behavioral scientist, its major bow to the innovations at Carnegie Tech.

⁷² Brown approvingly quoted a lengthy review by Charles Goshen which stated in part: "Quantification has become a kind of god which is worshipped in much the same way that the monastic philosophers worshipped their God. In both cases, all truth is required to fit into a predetermined system of ritual logic." (Brown to Kermit Gordon, May 27, 1960, F.F.A., 55-228, Section IV)

idiosyncratic, blend of old and new intellectual orientations that merited serious consideration. Carroll understood that Brown's primary interest was in practitioner education ("a training ground for senior officers of major worldwide corporations");⁷³ indeed, in contrast to Carnegie, his request for research funds did not even contain a doctoral training component.⁷⁴ Furthermore, to take the Bach position to the extreme, waiting for research results before accelerating curricular innovation meant indefinite delay in business school reform, the removal of faculty from the classroom,⁷⁵ and a perhaps irretrievable loss of momentum for the large-scale reform movement envisioned by the foundation. Serious ills, such as overspecialization, could be addressed expeditiously, once reform was encouraged. In sum, Carroll, we believe, saw no need to place all his eggs in one or two baskets, certainly not at the outset, and he looked favorably at Brown's second application for a subsidy permitting substantial MBA reform.

Brown posed an excellent test case. By 1957, he had already undertaken initiatives in administrative reorganization, faculty and student recruitment, corporate giving, and academic calendar revision. He perceived latent faculty restiveness over the curriculum, believed that recent academic appointments provided a supportive core for curricular change, and concluded that resistance would diminish as working conditions improved and as senior faculty, especially those identified with the specialties, retired. Brown claimed that the *procedure* of curricular reform would itself facilitate success. Instead of identifying specific problems in the current course offerings, Brown persuaded the faculty to begin with a fresh consideration "of what *business* was doing, what *business* was thinking, and which problems of *business* were important." Here,

⁷³ Brown, Dean Meant Business, 144.

⁷⁴ Several years later Carroll took Columbia's proposals for its doctoral program to task while praising its master's reforms. (See Carroll to Roger Murray, August 12, 1957, F.F.A., 57-273, Section IV)

⁷⁵ "...your total program could become out of balance if it is excessively focused on these two efforts ["an exploration of the relationships between business and the major social sciences, and the applicability of mathematical and statistical techniques to the analysis of business operations"] at the expense of preparing new and effective recruits for business faculties in numbers that are needed now and will be increasingly needed very shortly," Brown wrote Carroll. (Brown to Carroll, January 5, 1959, F.F.A., Box 408, "PEDA Staff Memos: General Program" file)

Brown had in mind an attack on the outmoded picture of business depicted by most business schools.

The language of business...is at best capable of describing accurately the motivations and activities of small enterprise. It is not adequately descriptive when applied to the complex modern business firm. Through a series of slow steps over half a century the structure and philosophy of the corporation have changed without a corresponding change occurring in the language of economics or of business law.⁷⁶

Bach's argument that business schools must, by research, keep ahead of and influence practice obviously did not convince Brown; he believed that business schools faced a massive task just to keep up with practice. Once his faculty grasped the totality of contemporary business needs and problems, he asserted, it could address itself to "phases of that totality, and finally to the design and selection of specific course materials."⁷⁷

The faculty, in the course of several years of discussion, evolved towards a consensus on a two year MBA curriculum (the MS in Business for students with undergraduate preparation in business would be phased out) in which students would spent half their time studying three sectors "that were important to the business community." The first, "the environment in which business operates," itself consisted of three areas in which courses would be offered: (a) "the state of the economy [in practice courses in both macro and microeconomics], (b) conceptual foundations of business [a new course confronting social and ethical issues involved in decision-making by an examination of the "attitudes, ideas, and cultural practices...that had resulted in the evolution of the modern corporation"], and (c) the interplay of human, physical, and technological resources. The second sector, the internal organizational arrangements of business, also contained three courses--a new one in behavioral science, another in the legal framework for the corporation, and an old course in the administrative structure of the firm. The third sector, the tools of business, already existed and was subject to little innovation, save an unsuccessful attempt to integrate statistics and accounting."⁷⁸

⁷⁶ Brown, Dean Meant Business, 160; "Presentation," p. 20.

⁷⁷ Brown, Dean Meant Business, 160.

⁷⁸ Ibid., pp. 160-162. See also Robert J. Senkier, Revising the Business Curriculum--The Columbia Experience (New York: The Graduate School of Business, Columbia University, 1961).

The breakthrough for Brown at Columbia occurred about halfway through the internal reform process, when the faculty consented to a set of core offerings comprising about one half of the two year program. Although left unstated, it became clear that a substantial core, when combined with an opportunity for elective study, left no room for the overspecialization which so concerned Carroll, Bach, and David. At this point, Brown requested a Ford Foundation grant for faculty released time to continue the reform process, stating that faculty "ownership" required that revisions rise out of its own work and thinking; others could be hired for a year or two as temporary replacements. He also requested funding for a professor of Philosophy for Business, who would set the tone for the entire revision, and devote special attention to the first core area.⁷⁹ Brown had in mind someone "...trained in philosophy and capable of translating his interest, especially in fields of politics and ethics, into terms significant to an understanding of the contemporary business scene."⁸⁰ Perhaps symbolic of the substantial differences between Brown's and Bach's approaches, the Columbia dean informed Carroll that he was proceeding with the necessary "curricular research" immediately, using funds designated for faculty research. Robert Gordon, although skeptical of Brown's prejudices against the social sciences, administration, and quantification, supported the proposal as being "...definitely in the right direction."⁸¹ Carroll concurred on the merits, but reduced funding for released time for faculty and recommended funding the philosophy chair on a trial basis only. Carroll defended the philosophy proposal as "most promising. This is Brown's principal area of possibly 'unique' contribution to the field."⁸²

The foundation staff recommended and obtained funding for Columbia after assuring the trustees of faculty support, of a perceptive and promising curricular outline, of Brown's leadership, and of highly successful earlier experience with a grant in the area of corporate giving.⁸³ The news of the foundation's support provided a "shot in

⁷⁹ Brown had in mind Charles Malik of Lebanon and Sterling McMurrin of the University of Utah; however, neither received an invitation from the faculty. (Brown, Dean Meant Business, 161)

⁸⁰ Brown to Carroll, April 11, 1957, F.F.A., 57-273, Section I.

⁸¹ Gordon to Lloyd G. Reynolds, April 26, 1957, F.F.A., 57-273, Section IV.

⁸² Carroll reaction, Lloyd G. Reynolds memorandum, April 17, 1957, F.F.A., 57-273, Section IV.

⁸³ Docket excerpt, meeting of the Executive Committee, June 20, 1957, F.F.A., 57-273, Section I.

the arm" to the Columbia faculty, one observer later reported.⁸⁴ More subtly, perhaps, the attention generated by such a grant within the Columbia and wider academic community helped assure that the faculty would not turn away from its still tentative commitment.⁸⁵

Faculty retreat remained a distinct possibility. As the envisioned scenario predicted, Brown's multiple reforms challenged "vested interests," and personality conflicts further exacerbated tensions.⁸⁶ Battles were fought over procedural issues (often surrogates for substantive conflicts), establishment of a trimester system (some faculty would suffer adverse economic effects), personnel decisions, as well as curricular reform (especially attempts to reduce specialty offerings consistent with the implementation of the core).⁸⁷ However, Brown won most of the key disputes, and many senior opponents soon retired.

Columbia's new curriculum partially resembled that recommended by Gordon and Howell, in that both called for a two-year MBA curriculum divided between a "core," on one hand, and electives and a specialization, on the other. The main difference appeared in "core" content--Columbia's consisted of thirty credits in the three areas of general business concern; Gordon and Howell's (and Pierson's) consisted of thirty-six

⁸⁴ Senkier, Revising a Business Curriculum, 57.

⁸⁵ Although Gordon visited Columbia early in 1958 and provided an advance look at his report's conclusion, Brown generally avoided the importation of outsiders, on the grounds that this worked against faculty "ownership" of the reform; indeed, it could increase resistance. While on campus, Gordon stated that he saw no place in a graduate school of business for a specialization in "economic geography." That happened to be the specialization of John A. Orchard, twice the Business School's Acting Dean, and someone nearing retirement. (Senkier, Revising a Business Curriculum, 57-58 and 58n)

⁸⁶ Most accounts concur that Clarence Walton's arrival as associate dean greatly lessened tensions between Brown and the faculty.

⁸⁷ Ibid., pp.72-80, Harkavy to Carroll, October 19, 1960, F.F.A., "PEDA Staff Memos: Oscar Harkavy" file; Brown, Dean Meant Business, 163-164.

credits, including twelve in the functional areas relevant to all businesses, barely touched in the Columbia core.⁸⁸

Was the foundation's investment in Columbia worthwhile? Staff usually offered positive assessments, and Columbia-generated reports demonstrated adherence to stipulated conditions. While Brown obtained multiple grants from Ford, their total dollar amount (including a rare foundation grant for plant construction as part of its terminal grant program⁸⁹) only equalled Harvard's 1955 grant.⁹⁰ From Bach's and Howell's point of view, Columbia backed the wrong intellectual horse; Brown, on the other hand, proved not only an able defender of his approach but also a caustic critic of Bach's. He relished calling attention to Charles Goshen's statements that mathematical models have become "...an almost insurmountable obstacle to the introduction of new thinking," that many have come incorrectly to assume that "...the only genuine test of truth lies in the ability to construct a mathematical equivalent...," and that science has become "infatuated with the language itself and [with] deriving 'truths' from arbitrary

⁸⁸ Columbia students could, of course, elect course work in the functional areas. The Columbia core prescribed less work in economics, than Gordon-Howell or Pierson. (Senkier, Revising a Business Curriculum, 90-92) Of course, comparisons of course titles do not tell the entire story. While Columbia, Ford and Carnegie all prescribed about the same amount of work in quantitative methods, the term subsumed many possible offerings. At Columbia, "...the 'battle' has been resolved in favor of the establishment of a modern statistics course on a non-required basis as well as an elective advanced course in operation analysis. Sam Richmond had tried to develop a required course in managerial decision-making involving mathematical decision-theory but this was dropped in favor of a more intuitive course designed by Newman and emphasizing 'creative imagination,' 'diagnosis of problems' and 'the process of choice.'" (Harkavy to Carroll, October 19, 1960, F.F.A., Box 408, "PEDA Staff Memos: Oscar Harkavy" file)

⁸⁹ See Brown to Marshall Robinson, March 4, 1964 and attachments, F.F.A. 64-383, Section I, and docket excerpt, June 19, 1964, "Columbia University-Business Education," Ibid. The rationale stated that "...the School's potential is clearly in evidence, and EDA thinks that it is important to foster Columbia's aspirations to excellence. EDA expects to maintain an active and interested concern for the leaders in business education...[and] Columbia, situated in one of the world's centers of industry, commerce and finance, is clearly one of the institutions that warrant this sustained concern. . ."

⁹⁰ Columbia obtained \$625,000 in 1955 for accounting, international business and faculty research; \$150,000 in 1957 for released time for curricular revision and for a professor of philosophy for business; \$250,000 in 1961 for support for Columbia's doctoral program; \$138,000 for studies conducted by Emile Benoit on the effect of arms controls programs on international economic affairs, and \$800,000 for the new building for the business school.

rules originally built into it." Perhaps, admitted Brown, Goshen overstated the case; nonetheless, Brown argued, "it is entirely possible to become excessively enraptured with the possibilities of the field...[and] it is probably good to have an overstatement on the side of the hazards for we have had an extraordinarily large number of overstatements in recent years on the side of the positive possibilities."⁹¹ And while most reform initiatives aimed at providing a more general *training* for business, Brown's stood out as one of the few (along with some initiatives taken by liberal arts colleges) to insist that a detached, critical viewpoint was central to the education of business practitioners to complement instrumental reforms and to broaden businessmen's social awareness.

In sum, while personal considerations of the kind alluded to by James Howell doubtless figured centrally in all of Ford's dealings with Courtney Brown, Columbia did, we believe, have a special place and role to play in Ford's general implementation strategy. After all, if the school managed to revise its curriculum despite strong personality conflicts, battles over unrelated issues, and Brown's intellectual idiosyncrasies, other institutions unencumbered with such difficulties might fare better.

⁹¹ Brown to Kermit Gordon, May 27, 1960, F F A., 55-228, Section IV.

D. CHICAGO: THE BEHAVIORAL SCIENCES AND BUSINESS

During the 1930s, American higher education was subject to the criticisms of two of the century's most vocal critics, Robert Maynard Hutchins and Abraham Flexner.⁹² Unfortunately for the study of business at the University of Chicago, it was the former rather than the latter who reigned as president and chancellor for more than twenty years. Flexner criticized American professional education as vocational, atheoretical, and insufficiently rigorous. Under a Flexner administration in the 1930s, Chicago would have found support for the more scientific approach to business education desired by Dean L. C. Marshall, who advocated creation of a "community of scholars" aimed at "the study of business in its social setting; toward an understanding of its basic processes, its institutional life, its driving forces; and toward an evaluation of its results. It should be thought of as a place for the *study of business*, a place for truly scientific work."⁹³ Under Hutchins, on the other hand, the business school experienced little support of any kind. Hutchins did not confine his criticisms to those offered by Flexner; he questioned the place of professional (derivative) education in an institution dedicated to discourse upon fundamental principles. At the same time that the undergraduate college received unprecedented attention, the business school at Chicago suffered extreme neglect.

Chicago's 1957 application for Ford funding was conspicuously "Flexnerian" in approach. Quite consciously, it compared the evolution of business education to that of medical education--going through apprenticeship and practitioner stages, both antecedent to the emergence of a theoretical body of knowledge for systematic study. Chicago, claimed dean Allen Wallis, had been on the verge of incorporating theoretical knowledge into the business curriculum in the late 1920s when Hutchins' arrival as president thwarted the effort. Under the more salutary regime of Lawrence Kimpton, the effort resumed. Wallis' assumption of the deanship symbolized the renewed commitment, as did substantial increases in budget and faculty.

⁹² Flexner, Universities: American, English, German, passim; Robert M. Hutchins, The Higher Learning in America (New Haven, Ct.: Yale University Press, 1936).

⁹³ L. C. Marshall, ed., The Collegiate School of Business (Chicago: University of Chicago Press, 1928), 190-191.

Chicago had already recruited several social scientists to its business faculty and had strengthened its relationships to cognate departments on the campus.⁹⁴ Initial results appeared quite promising--so much so that the School placed its hopes on the fruits of continued success.

Social scientific training is the optimum way of hastening, stimulating, and making more profound that education which is acquired on the job. It raises pertinent questions, increases sensitivity to relevant phenomena, and provides a coherent frame of reference into which the individual can assimilate his complex and occasionally untidy vocational experience. Such training vastly expands the student's limits of potential development. The usefulness of the social sciences for understanding social phenomena does not stop at the limits of the corporation. Understanding social behavior within the firm, the relations between the firm and its suppliers and customers, and its relationship to government is made more complete by the capacity for analysis which training in the social sciences can help create.⁹⁵

All that was needed was funding and time--if the Ford Foundation would complement increased university resources, Wallis promised, within a decade Chicago's business school would significantly advance theoretical understanding of the nature of business and administration, and incorporate these understandings into a coherent MBA program.

Implicit in such reasoning was an attack, not so much on Columbia's more liberal, humanistic orientation (Chicago dismissed this approach, insisting that liberal education should be acquired on the undergraduate level, and that curricular reform should be based on thorough social scientific research),⁹⁶ but on Harvard's case method

⁹⁴ Neil Chamberlain believed that the relationship between economics and business at Chicago was much healthier than it was on most campuses, and that Wallis' presence assured close ties between statistics and business. (Chamberlain to Carroll, December 7, 1957, F.F.A., 58-140, Section IV)

⁹⁵ "The School of Business of the University of Chicago: A Report to the Ford Foundation" (May, 1957), F.F.A., 58-140, Section I, 13-14.

⁹⁶ "The optimum function of a graduate school of business is to equip the student to add to the stock of our total knowledge or to give new meaning to individual business experience when it is achieved. Graduate education in business cannot be a substitute for liberal education and can only be an inefficient substitute for on-the-job

approach. The case method might have sufficed at a time of transition between apprenticeship and classroom education when mimicry was beneficial. However as was indicated by the experience of other professions, such as medicine, professional education required mastery of the fundamental, preclinical disciplines (the social sciences in the case of business) before it was possible to embark upon clinical studies.⁹⁷ The case method approach ineffectively confounded preclinical and clinical study, the Chicago faculty believed, virtually assuring that preclinical studies would be unsystematically taught, if taught at all. To be sure, case instruction *could* help translate preclinical disciplines into practice, but only with prior mastery of those disciplines.⁹⁸ Harvard might succeed in the case study approach simply because its excellent faculty taught a generally excellent student body. On the other hand, its success did not necessarily portend similar results at other institutions embarking upon major reforms.

Of course, the School of Business at the University of Chicago would not attempt to teach all elementary courses in the social sciences to beginning students. The School's recent shifts to exclusively graduate education and to an MBA based upon completion of an undergraduate liberal education, were meant to assure some degree of social scientific sophistication upon the student's matriculation. Instead, the School would instruct in the disciplines most relevant to business, i.e., statistics, accounting, law, economics, and the behavioral sciences. From there, a student would take courses "designed to indicate their [the preclinical courses'] relevance for solving problems encountered during a professional career," i.e., the functional areas including production, marketing, personnel administration, and finance.

training....Graduate education for business can most usefully build upon a liberal education by providing specialized training in the social sciences as well as in the more traditional subject matter of business education such as accounting, statistics, law finance, marketing, production, and personnel administration." ("The School of Business," 13)

⁹⁷ The Ford application made the analogy to medicine explicit, and defended it against the criticism that medicine was a science while business was not, "Reflection will probably indicate, however, that neither medicine nor business is a science. Medicine is the enlightened application of knowledge of the natural sciences to the understanding of disease and its cure. Effective business administration is, in part, the enlightened application of the social and business sciences to the perception of business problems and their solution. Both professions rest upon an understanding of basic sciences and upon their skillful and judicious application to the solution of concrete and ever-changing problems." (Ibid., 15-16)

⁹⁸ Ibid., 10-22.

Chicago's confident claim to represent the most intellectually sophisticated form of business education, along with its ambitious desire for rapid and substantial expansion (in a single decade the school went from 21 to 112 instructional faculty, and from about 200 to 1000 MBA students), led it to request the most sizable subvention from Ford: \$9 million, including \$4 million for improvement of physical plant, \$2.5 million for four endowed professorships (one each in the areas of business economics, finance, behavioral sciences, and government and business), \$1 million for research-related expenses (including research assistance, equipment, field trips and library acquisitions), and \$2 million to endow thirty doctoral and post-doctoral fellowships.⁹⁹

The contemporary record suggests that Ford was duly skeptical regarding Chicago's rather extravagant claims. The EDA staff knew from the start that it had to proceed with caution in its negotiations with Chicago, if for no other reason than the presence of Bernard Berelson (a one-third appointment in the Business School, to develop behavioral science material for the core curriculum), whom the Ford trustees blamed in large measure for the failure of an earlier, more general foundation initiative in social scientific research. Indeed, the grant received substantial scrutiny, including site visits from Gordon, Howell, staff members Oscar Harkavy and Neil Chamberlain, and, finally, Carroll. However, despite the many reservations raised, the staff gave the Chicago initiative very high marks -- a fact some would later regret. James Howell observed in 1966: "Chicago, in spite of self-image, didn't have the faculty, tradition, or commitment to succeed in the role it asked for and received; this conclusion was possible at the time if the staff had been tougher minded."¹⁰⁰

Chicago had three major assets in Ford's eyes: an impressive dean, a well-conceived program, and both university and community support. Given Carroll's emphasis on the deanship's pivotal role, Wallis' character and ability proved critical. His own social scientific background, his ability to recruit strong faculty (in his first year as dean, Wallis hired 18 men), and his obvious administrative ability impressed everyone. Gordon viewed Wallis as able, energetic and imaginative, and predicted he would be "shrewd and indeed almost ruthless in carrying out his program."¹⁰¹ Another staff member called the proposal "...ambitious, imaginative and quite possibly feasible. My

⁹⁹ Ibid., 30, 38, 50-54.

¹⁰⁰ Howell, "The Ford Foundation," 11.

¹⁰¹ Gordon to Chamberlain, November 4, 1957, F.F.A., 58-140, Section IV.

guess would be that Wallis will bring up and keep the Chicago School somewhere among the top half dozen in the country.¹⁰² Whereas Carroll usually feared that reform might succumb to the faculty's vested interests, at Chicago he had to convince himself that Wallis would not be high-handed. "Wallis has clear ideas about the development of the School and is determined to see that they are carried out carefully and vigorously...[and not] in a 'come Hell or high water' fashion," he concluded.¹⁰³ Upon Wallis' assumption of the deanship in the fall of 1956, the University committed sufficient resources to assure that failure would not result from financial stringency. Wallis was determined to show that failure would not result from inadequate leadership.

All at Ford found the program extremely attractive. Chamberlain viewed it as potentially as distinctive as Carnegie's, calling the social-scientific approach a possible "midwestern counterweight" to Harvard's case method orientation. "It offers a graduate program in business education that is more nearly professional than is characteristic of much business education," he wrote, "in that it offers a training which cannot readily be acquired simply by doing and which might genuinely distinguish the business school-educated businessman from those who have not had the advantage of such training."¹⁰⁴ Carroll reassured himself about Berelson, and called his work with the faculty on the social sciences "splendid."¹⁰⁵

In contrast, the MBA program at the time of the Ford application won only qualified commendation. It consisted of seven courses in the "basic disciplines,"¹⁰⁶ one in each of the four functional fields, and seven in a field of concentration. Wallis reported plans for a second statistics course, the core course in behavioral sciences, a

¹⁰² Reynolds to Carroll and Chamberlain, July 2, 1957, F.F.A., Box 410, "Program Development, 1957" file.

¹⁰³ Carroll to The Files, January 29, 1958, Ibid.

¹⁰⁴ Chamberlain to Carroll, December 2, 1957, Ibid.

¹⁰⁵ Carroll to The Files, January 29, 1958, Ibid. Berelson envisioned a core course emphasizing "how people behave and why," middle level courses on decision-making, personnel assessment (including testing), organizational theory, social change, and a human relations "practicum." (See Berelson memorandum dated December 19, 1957 attached to James Lorie to Chamberlain, December 30, 1957, Ibid)

¹⁰⁶ Accounting (two courses), statistics, macro and microeconomics, law and public regulation of business (one course each).

new concentration in quantitative methods, and a requirement for additional course work if prior study did not include work in the basic disciplines or the functional fields.¹⁰⁷ Gordon called it a "standard sort of good, general program with emphasis on tools, the functional fields, and a little bit on the social and political environment of business."¹⁰⁸ Yet, Chicago's contribution was not to be in curricular innovation so much as in achievement of a unique faculty amalgam, with its implications for scholarship and doctoral education. And in this area, Carroll viewed the potential as "tremendous" for business education in general, perhaps the single most important criterion for Ford support.

Finally, the foundation staff found university and community support high, especially in view of the risks (for example, economic analysis might override other social scientific approaches) and of the theoretical nature of the Chicago innovations. Chancellor Kimpton expressed his unequivocal support for Wallis through a large infusion of unrestricted funds and through authorization of a \$23 million capital funds drive. Kimpton, concluded Chamberlain, wanted to give Wallis a favorable environment in which to prove that the business school deserved a place in the university, "or that Hutchins was right and the School deserves no University support."¹⁰⁹

Moreover, Wallis had already gained moral and financial support from the Chicago business community. Both James McCaffrey, Chair of the Board of International Harvester, and Fairfax Cone, of Foote, Cone and Belding, and a Chicago trustee, endorsed Wallis' proposals, especially the proposed social scientific orientation, as salutary for breadth and originality in middle and later stages of a business career. Cone also emphasized Chicago's growing importance as an economic center and the resultant need for a strong indigenous business school. They predicted community financial support in the \$200,000 to \$400,000 range, annually; Carroll predicted excellent prospects for such operating support.¹¹⁰

¹⁰⁷ "Some Brief Comments on the Evolution of the MBA Curriculum at the School of Business of the University of Chicago," attached to Wallis to Chamberlain, November 21, 1957, F.F.A., 58-140, Section IV.

¹⁰⁸ Gordon to Chamberlain, November 4, 1957, Ibid.

¹⁰⁹ Chamberlain to Carroll, December 2, 1957, Ibid.

¹¹⁰ Ibid., 3; Carroll to The Files, January 29, 1958, Ibid, and Harkavy to Files, September 19, 1957, Ibid.

Such potential benefits were judged to outweigh liabilities; the latter, however, were real. Staff questioned the pace and scope of the proposed student and faculty expansion, the proposed proliferation of coursework, especially in the functional fields, and the potential difficulties in achieving the desired social scientific integration. A rapid fivefold expansion of a faculty, at a time when others could hardly envision modest increases, given extant rates of Ph.D. production, raised quality issues. The same held for student enrollment increases, since most expansion was slated for the campus MBA program, where quality was already an issue.¹¹¹ Chicago justified increased faculty expansion in part on the anticipated increase in student numbers resulting from improved recruitment efforts. Recruitment was based upon "making the School a better place to attend and also telling more potential students about the advantages of coming here."¹¹² The circularity in such pronouncements, and the lack of a more detailed justification for expansion, did not escape the Ford staff.

The staff questioned the proposed course proliferation in part because of the apparent duplication of work already conducted in other parts of the university (e.g., economics and statistics), and in part because of the spectre of overspecialization. "A quarter's work given over to 'Market Communication' ...could conceivably be broadly based on basic theoretical considerations," Chamberlain wrote, "but how easy would it be for such courses to develop into the familiar courses describing present business practice which are so prevalent in business schools!" Gordon's negative comments about the current quality of instruction at Chicago and his conclusion that its heavy research emphasis precluded much chance for improvement compounded the staff's qualms.¹¹³

Finally, the staff questioned whether Chicago could successfully integrate the social sciences into the curriculum and into the faculty's research agendas. An imported social scientist would have to develop sophistication in business issues; those possessing

¹¹¹ "The campus enrollment is unsatisfactory both in terms of numbers and quality," reported Harkavy. (Ibid.)

¹¹² "The School of Business," 30.

¹¹³ Gordon to Chamberlain, November 4, 1957, and Chamberlain to Carroll, December 2, 1957, Ibid. "Jim and I both have the feeling that teaching is somewhat neglected at Chicago," Gordon wrote. "The pressure is all for research, which is typical, of course, at our best institutions. But a school which hopes to offer a high level professorial [sic] curriculum cannot afford to neglect questions regarding curriculum content and teaching techniques. The few courses Jim and I had some contact with seemed to be no more than adequate; the quality of instruction seemed to be below that of some of the other better schools we have visited."

such knowledge might feel isolated from their home disciplines. The Chicago proposal assumed that the quality of recruits and the university's strong integration would remedy any problems; the staff wondered if Chicago might take specific actions to reduce the risk. Gordon insightfully compared Chicago's approach to that of Carnegie: "Carnegie has a highly 'structured' research program and hires people to fit into that program. Chicago's program is completely 'unstructured'; it hires men and hopes that they will make a place for themselves." The staff noted that such an approach might render uneven the intended social scientific integration into the functional fields. And perhaps one faculty member was correct in suggesting that Wallis, while intellectually committed, might experience internal emotional resistance to implementing a social scientific orientation. If so, Chamberlain concluded, "one would expect that emphasis on the economic ingredient of the curriculum (and probably of a traditional Chicago mold, particularly if George Stigler accepts the Walgreen professorship) might override the other social science elements."¹¹⁴

The potential was great; the weaknesses, real. However, no other institution approached Ford with an equally respectable proposal emphasizing a social scientific orientation; the issue for the foundation became not whether to support the request, but at what level. The answer was suggested, perhaps inadvertently, by Chancellor Kimpton. The foundation would do no more, nor no less than he would. That is, support would come incrementally, based not only upon potential, but upon attained results. The expansion would be monitored; positive results in student and faculty recruitment, research, curricular innovation, and business community support would bring additional university and foundation resources. Successful recruitment to two endowed chairs would precede funding of the two other requested chairs. Research and fellowship money would not come as endowments but for stipulated terms, looking towards the eventual absorption of such expenses by the regular budget and by the business community. The university and Ford both expected that a successful program would rapidly become self supporting. Kimpton informed Carroll that the university's extra subsidy would continue "...for at most another year."

The staff recommended and the foundation granted \$1.375 million to Chicago, the second largest gift in the business education program to that date, but also the most substantial reduction of a funded request. No money would be allocated for the two requested buildings; the foundation invoked its policy against such requests in this

¹¹⁴ Ibid.

case.¹¹⁵ The two professorships resembled those awarded to Harvard a few years earlier: The director of research (with responsibilities for producing the teaching materials necessary for the curricular integration of the social sciences and statistics) would hold one position, while the other would be held by distinguished visiting professors who could help the school achieve its distinctive goals. Ford's hope that Chicago would join Harvard and Carnegie "...as a provider of some of the best-trained business school faculty members in the country" led it to fund doctoral fellowships (\$50,000 annually for five years) more heavily than faculty research (\$25,000 annually for five years). Ford left itself the option of renewing and increasing aid after three or four years, or of leaving future funding to the University and the Chicago business community.¹¹⁶

In keeping with Carroll's dictum "...that business administration is applied social science rather than applied economics," Chicago's grant became the centerpiece of an additional \$1.25 million "multi-phase effort" on behalf of the social sciences (other than economics), mathematics and statistics, initiated during the "Big Push."¹¹⁷ Funded programs included visiting professorships to selected business schools, fellowships for business school faculty to pursue self-defined social scientific studies, "master fellowships" for interested social scientists for the sustained study of business, publication of dissertations from both business schools and the social science disciplines, and the commissioning of a political scientist (Robert Dahl), sociologist (Paul Lazarsfeld), and psychologist (Mason Haire) to write review articles on the relevance of their disciplines to business problems.¹¹⁸ The intended audience included both social scientists, who might find such scholarship attractive, and business faculty, who would learn how the structure and methods of each discipline might illuminate the study of traditional business subjects. "Business is too important an institution to be studied by only the economists," stated a report Carroll wrote to AACSB deans, "Increasingly, it has become apparent...that since business is also an organization of people, it is of interest to the sociologist; since it is composed of numbers of individuals pursuing their aspirations

¹¹⁵ Kimpton to Carroll, January 24, 1958, F.F.A., 58-140, Section IV.

¹¹⁶ Docket excerpt, Trustees Meeting, March, 1958, F.F.A., 58-140, Section I.

¹¹⁷ "Meeting with Program III Consultants," September 29, 1956, F.F.A., Box 410, "Program Development, 1956" file, p. 21.

¹¹⁸ Economic Development and Administration, "Allocation of Appropriated Funds," undated, copy in F.F.A., 58-304, Section I.

in a complex of interpersonal relations, it is of interest to the psychologist; as a locus for the designation and exercise of power, it is of interest to the political scientist." Because a multi-disciplinary approach held so much promise, Carroll concluded, it required no less than a multi-phased program.¹¹⁹

Student growth at Chicago initially proceeded somewhat more slowly than expected (the campus MBA enrollment doubled between 1957 and 1963), although there was a noticeable gain in student quality. The number of Ph.D. candidates increased from eighteen to seventy. Faculty growth proceeded more rapidly; by 1963, Chicago had a faculty of seventy, only eleven of whom were present when Wallis assumed the deanship. Of those coming after the Ford grant, "...about 20 per cent came from faculties of other schools of business, about 40 per cent from the faculties of departments in various social sciences, principally economics, about 25 per cent from business and government, and about 15 per cent came to the School directly from completion of graduate work." The school's budget quadrupled between 1957 and 1963, with about half of the revenues coming from tuition, about a third from foundation and corporation restricted grants, and the rest from alumni (at first organized for student recruitment purposes and then approached for donations) and from the Associates Program which boasted a membership of about 100 corporations.¹²⁰ Yale Broznan (business economics) and James Lorie (business administration; formerly associate dean) in turn held the research professorship; of the first eight to hold the rotating professorship, four were from economics, one from sociology (Morris Janowitz, whom Chicago lured away from Michigan), one from industrial management, one from business administration, and one with no listed specialty.¹²¹

The uncommonly close relationship at Chicago between the business school and the economics department (George Stigler did assume the Walgreen Professorship in the business school) inevitably led to an emphasis on that discipline. On the other hand, the other social sciences did not suffer from neglect; indeed, in a subsequent grant, Ford

¹¹⁹ "Ford Foundation Activities in the Field of Business Education," attached to Carroll to Deans of Member Schools of AACSB, December 24, 1958, F.F.A., Report 2970.

¹²⁰ "A Report on the Ford Foundation Grant of March 31, 1958 to the Graduate School of Business, University of Chicago," January, 1963, F.F.A., 58-140, Section III.

¹²¹ "Report to the Ford Foundation from the Graduate School of Business, University of Chicago," attached to Walter D. Fackler to Joseph McDaniel, March 7, 1966, F.F.A., 58-140, Section III.

recognized Chicago's strength in industrial relations, especially the development of "...new conceptual tools for research in the social sciences and management" by a team that included dean George Schultz, economist Albert Rees, Janowitz, and anthropologist Manning Nash.¹²² Growth permitted both a central role for economics and a significant role for the other social sciences. Given Wallis' commitment perhaps a different balance would have emerged if Wallis had remained at Chicago (he assumed the presidency of the University of Rochester in 1963). Indeed, of the five centers, Chicago was the only one to experience a change in leadership during the revolution's key years.¹²³ Carroll strongly believed that continuity in the deanship offered the most effective counterweight to the centripetal tendencies of most business schools; perhaps the surprise is that the social sciences retained as much of a role as they did at Chicago given the gradual withdrawals of university and foundation general subsidies.¹²⁴

¹²² Clarence Faust to Henry T. Heald, July 27, 1964, F.F.A., 64-446, Section I.

¹²³ Wallis was also absent from the campus for prolonged periods during his deanship.

¹²⁴ As part of its terminal grants program, Ford awarded Chicago funding totalling \$920,000 for long-range research in marketing, finance and industrial relations.

E. STANFORD: THE LAST CENTER

In his internal review of Ford's program of support to business education, John Wheeler observed:

...the institutional grants by E. D. A. were roughly in proportion to the prestige of the institutions and with the exception of Stanford their relative positions did not change during the past decade. The Ford grants probably helped them retain their positions and in the case of Stanford there is little doubt that the grants were a major factor in making it possible for that school to re-establish itself as one of the leading graduate schools of business in the country in a very short period of time.¹²⁵

Clearly, Ford funding, and the University's announced commitment to reinvigorate the school, had much to do with Stanford's success in reclaiming its earlier status as the "Harvard School of Business of the West."¹²⁶ However, the reasons for Ford's munificence to Stanford remain somewhat unclear. As at Columbia, it may have resulted in part from being "close to the Foundation."

A two year search for a new dean culminated in 1958 in the appointment of Ernest C. Arbuckle, a Stanford trustee and graduate of the Stanford School of Business. Arbuckle worked for W. R. Grace and Company,¹²⁷ and previously, with Standard Oil of California and Golden State Company. As was typical of the several Ford-funded centers, the presence of a new dean proved catalytic. There followed rapid faculty hirings (mainly recent Ph.D.'s from other centers), projected expansion in MBA and Ph.D. enrollments, presidential enthusiasm, and galvanized business community and alumni support. In that same year, Stanford applied for and received a small Ford Foundation curriculum-study and planning grant with the understanding that the school would return with a more substantial request after progress had been demonstrated. While Stanford's application was short on specifics, the Ford recommendation was long

¹²⁵ Quoted in Howell, "The Ford Foundation," 13-14.

¹²⁶ Economic Development and Administration, "Curricular Study and Program Development Officer Grant," attached to Carroll to Heald, November 26, 1958, F.F.A., 59-81, Section I.

¹²⁷ Executive Vice President of the Pacific Coast Division and Foster and Kleiser Division.

on optimism. Stanford's position as the only exclusively graduate level private business school west of the Mississippi provided an opportunity for regional leadership, and Arbuckle's ideas and enthusiasm boded well for its prospects. Carroll concluded that if Stanford showed "signs of real progress toward a superior educational program it might well become a candidate for substantial institutional support."¹²⁸

Six months after receipt of the initial grant, Arbuckle submitted a request for center-level funding (\$3 million). In due course Ford approved a grant for half that size, and also offered Stanford another \$3.5 million to implement a foundation-initiated program for the education of teachers of business in underdeveloped areas. During those six months, Stanford recruited about ten junior faculty, revised its entrance requirements to emphasize work in the liberal arts,¹²⁹ revised its doctoral program to include methods seminars and research workshops in subject matter fields, and began to stress "...cultivation of a research attitude in all advanced coursework."¹³⁰ Neither the planning grant application nor the subsequent application contained indication of a particularly distinctive intellectual slant, save the implicit downgrading of the case method model hitherto central to Stanford's curriculum.

Stanford received funds only for faculty and faculty research; however, it had also requested funds for other purposes, especially doctoral fellowships. Citing the well-known shortage of business Ph.D.'s, Arbuckle contended that the California situation was particularly acute, and that \$200,000 per year would be needed within two years to permit necessary growth. Ford's \$1.5 million grant contained no funds for doctoral fellowships; instead it provided \$750,000 for senior faculty appointments, \$250,000 for a research professorship (similar to the rotating professorships awarded to Harvard, Carnegie and Chicago, but with no requirement for rotation), and \$500,000 over ten

¹²⁸ E.D.A., "Curricular Study," J. E. Wallace Sterling to Carroll, October 17, 1958, F.F.A., 59-81, Section I, and Economic Development and Administration, "Recommended Action: Approval of an officer grant of \$25,000 to Stanford University..." attached to Carroll to Heald, November 26, 1958, F.F.A., 59-81.

¹²⁹ "The professional training offered by the Stanford Graduate School of Business is especially suited to students who have had their academic backgrounds in the various fields within liberal arts such as economics or political science, and in engineering or science," stated the 1958-1959 catalogue, "Undergraduate business majors should not apply without consulting with the Admissions Committee." (quoted in Gordon and Howell, Higher Education for Business, 255n)

¹³⁰ Docket excerpt, Trustee Meeting, December 11, 1959, F.F.A., 60-48, Section I.

years for faculty research against which Stanford might charge the cost of research assistance. Ford realized that senior level recruitment meant the "pirating" of other centers, a practice it had been hitherto reluctant to condone, but the staff concluded that "...the resulting distribution of resources would be desirable, so long as no more than one of the senior people sought is drawn from any other single institution."¹³¹ Ford's generous provision for faculty research would not only make the institution more attractive to prospective faculty, it would aid the doctoral candidates the school was taking great pains to recruit. And, while the research professorship would be funded for a decade, rather than endowed as at other institutions, the university was relieved of immediate financial commitments and of the obligation to rotate the chair periodically.¹³²

Stanford was obviously willing to take some direction from Ford. One might argue that the school's assigned role in the revolution was to take the best results from the four other centers (many of which would, ideally, be brought by the "pirated" professors) and amalgamate them into coherent doctoral and MBA programs. The institution's case for election to the pantheon certainly could have been stronger. Howell's recent appointment to the faculty undoubtedly proved salutary. But perhaps more important was Stanford president Sterling's commitment to long-term fund-raising for the school, including money for endowment and for physical facilities, especially a new building--an item left to school initiative at Columbia and Chicago. While such a commitment explains some of Ford's sympathy, the circumstances surrounding the other major gift to Stanford, that for the training of foreign business school educators, also suggests that personal ties were related to institutional support.

EDA's venture into the instruction of foreign teachers of business stemmed in part from Ford's general interest in overseas philanthropy. Indeed, EDA expected to employ many of the contacts others at Ford had made to hasten the program's implementation. The record is unclear as to when Carroll first decided upon a teacher center, although his interest in overseas business education was of long standing; indeed, it was specifically mentioned in gifts to both Harvard and Columbia, and was discussed

¹³¹ Docket excerpt, Trustee Meeting, December 11, 1959, F.F.A., 60-48, Section I.

¹³² Ibid. Sterling wrote that the School had his fullest support, but that for the next five years its buildings and endowment had the highest priority. He expressed willingness to turn to permanent chair funding in the subsequent five years. (Sterling to Carroll, June 16, 1959, Ibid.)

at length in a 1956 meeting of EDA advisors. Courtney Brown claimed that his *Journey Toward Understanding*, a report on his overseas travel, contained the key suggestion.

When it was published, copies of *Journey Toward Understanding* were sent to officers of the Ford Foundation. We had reached two main conclusions. The failure of the countries we visited to attain more material abundance was not due to lack of natural resources; it was due to a lack of management to marshal the resources that were available. We also concluded that very little was being done in the universities and training institutions to alleviate this difficulty. Ford Foundation officials invited me to discuss the opportunities for the development of a significant program of management training for foreign students. Nothing seemed to come of it until some time later when the foundation invited the deans of seven leading business schools to convene in New York for a Sunday meeting. Without prior announcement to any of them a grant of \$3.5 million was made to the Stanford Business School to develop an institute for graduate business study for foreign students. Dean Ernest Arbuckle of Stanford had no prior warning. The seven deans were to be a governing board, but it met only once. I was told by the foundation officers that Stanford had been selected because it was felt "undesirable to put the activity in New York City!" Such were the vicissitudes of educational entrepreneurialism.¹³³

Carroll's own prospectus noted that several thousand foreign students matriculated in American schools of business (2482 in 1957-1958) where they mainly studied American institutions and practices, rather than materials relevant to their own economies and environments. Increased competence in overseas business school instructors appeared the key desideratum. The general improvement of American graduate business education, combined with specifically designed materials and instruction, would provide relevant and comparative business knowledge of the underdeveloped countries to current and aspirant teachers, who would "...observe at first hand educational and business institutions in this country, particularly the relationship

¹³³ Brown, *Dean Meant Business*, 79. Brown might well have been surprised at Ford's choice of the Stanford site, but he knew something was in the offing. Records indicate that Ford consulted Brown, along with Roy Blough, Columbia's professor of International Business, Eli Ginzberg, also of the Business School faculty, and several foreign students. Notably, Ford also discussed the matter with Arbuckle and Howell. ("Training for Teachers of Business Administration from Underdeveloped Countries," F.F.A., Report 001322, 11.)

between the university and the business community."¹³⁴ The program envisioned fifty to one hundred participants when it attained full growth; Carroll expected the cooperation of the major business schools with international interests and/or student bodies.

Was Stanford qualified to administer such a "complex" program, "permeated by subtle possibilities for accomplishment and failure, and subject to a variety of false doubts and temporary setbacks"? Had it "already committed itself psychologically...already devoted resources of personnel and money...[and] already begun on a modest scale that furnishes a concrete base upon which to build further efforts?" "For such a program," wrote Milton Katz, still a foundation consultant, "it is most important to have an applicant qualified by enthusiasm and commitment as well as by talent and organization."¹³⁵ A year earlier, Columbia international business professor Roy Blough's survey of institutions concerned with international business failed to include Stanford, although the University of San Francisco did appear.¹³⁶ Harvard and Columbia did; indeed, Columbia could point to sustained, intensive interest.¹³⁷

¹³⁴ Carroll emphasized the need for both relevance and a comparative approach. "Current offerings in American schools of business are of dubious relevance..." Carroll wrote, "Obviously, the typical business unit in the less industrialized countries is smaller; family ownership and control predominate; the 'professional' manager is at present a rarity; the specialization of business function is less developed; the corporate form of organization is atypical; and organized capital markets are quite rudimentary or unknown." As for comparisons, "...there is a wide diversity among the several underdeveloped regions. Thus the comparative approach appears to be the only feasible way of dealing with representatives of a variety of countries in the same teaching program...[It also] helps remove [the] implicit assumption of American superiority." Few teaching materials existed for microeconomic analysis in developing countries; it followed that specific materials would have to be designed perhaps in part by the students and faculty of proposed center. ("Training for Teachers of Business," 2-5)

¹³⁵ Katz to Henry Heald, August 4, 1959, Heald Papers, Box 2, Series I, file 78.

¹³⁶ Harkavy to Files, January 14, 1958, F.F.A., 55-228, Section IV.

¹³⁷ Columbia had approached Ford for funding for an International Business Center to conduct research and disseminate materials as early as 1952. (See Philip Young to Rowan Gaither, May 8, 1952, Gaither to Young, June 7, 1952 and Young to Carl Spaeth, July 31, 1952, F.F.A., Gaither Papers, files 43 and 46) Brown kept Ford informed of Columbia's ventures in this area, for example, the School's implementation of new courses in international business, international investments and operations, and international transactions. "The viewpoint in all of the courses in our International Business Program is that of the business enterprise grappling with decisions regarding international business problems. We feel that the program has succeeded as we anticipated in

Carroll offered several reasons for selecting Stanford.

The community of Palo Alto is small enough to avoid the distraction of foreign participants from the study program; yet it is located close enough to a large, cosmopolitan city to permit contact with a variety of American culture. The university itself has a particularly strong interest in international programs, with its president, J. E. Wallace Sterling, serving as chairman of an all-university committee on international activities. Its graduate school of business is currently showing vigorous forward movement....Other relevant sections of the university, most notably economics and law but more recently sociology and psychology as well, are recognized for their excellence. The presence of the Stanford Research Institute, with its own active interests abroad, is a substantial asset.¹³⁸

Carroll could not point to specific business school participation in international studies, nor to specific faculty who could implement the institute. He did indicate that, as in the case of the research professorships, Stanford committed itself to tenure for the program's senior staff, although he recommended only an initial seven years of funding.

Stanford's reputation and program changed along lines suggested by Gorden and Howell during the early 1960s. It adopted a more generalist curricular approach, including economic and mathematical analysis, and human resource management. James Howell himself supervised the introduction of the economics and quantitative courses.¹³⁹ However, the Ford research grant appears to have been only a qualified success in the short run for, as some contemporaries predicted, Arbuckle had a difficult time recruiting some of the productive seniors (small in number, according to Bach) away from other institutions. Indeed, he soon petitioned Ford for a grant modification to charge non-tenured faculty salaries against it. Suggesting that the strong non-tenured group he

breaking new ground in this important area of student interest and that we have almost unlimited opportunities for further development. (Brown to McDaniel, January 22, 1958, F.F.A., 55-228, Section II)

¹³⁸ Draft, docket, E.D.A. undated, attached to "Training for Teachers of Business Administration," F.F.A. Report 001322, 5.

¹³⁹ "New Look in Business Schools," Business Week (June 17, 1961), 157-164, and Hugstad, The Business School in the 1980s, 26.

recruited would eventually build up the school, he described the great difficulties he experienced (nine declines, four acceptances) in senior recruiting.¹⁴⁰ Stanford did appoint Lee Bach to a visiting professorship for the 1963-1964 academic year; the institution's recruitment fortunes improved decidedly when he accepted a permanent position a few years later.

In deciding to fund each center, Thomas Carroll and the Ford Foundation placed their faith in ideas and in individuals and general institutional reputations. The Ford staff identified and supported "[f]our strains of advanced thinking in business education," namely, "the emphasis on modern techniques (Carnegie Tech), the training in decision making (Harvard Business School), the emphasis on the role of the business firm in society (Columbia) and the emphasis on the social sciences as tools in studying business as a social institution (Chicago)."¹⁴¹ By doing so it lined up most of those who were already influential in business school reform, as well as the next generation of leaders and reformers. Institutional rivalry of the kind existing between Columbia and Stanford was inevitable, and not necessarily destructive. Stanford's initial recruitment effort may have served at first mainly to raise the salaries of seniors at their home institutions, but in the long run it reduced, rather than increased, institutional complacency. Ford had seeded a variety of institutional models; it now had to decide whether they required further nurture, or if the initial harvest was ripe for distribution. That Stanford received funds exclusively for more faculty and for research signalled the turn Carroll and his EDA colleagues were about to take -- a turn affecting the program's ultimate fate.

¹⁴⁰ N. Chamberlain to James Armsy, January 12, 1960, Arbuckle to William P. Gormbley, March 14, 1963 and April 22, 1964, Gormbley to Arbuckle, June 5, 1963, Howell to M. Robinson, October 27, 1969, and M. Chamberlain to Files, August 2, 1971, F.F.A., 60-48, Section III. One recruit died soon after accepting the Stanford offer; another was made head of the psychology department; a fifth senior appointment was made without tenure. In 1963-64, Arbuckle successfully recruited seven junior faculty, and was "...very pleased indeed with the quality and competence of the men who did accept appointments with us this year." (Arbuckle to Gormbley, April 6, 1964, F.F.A., 62-510, Section IV).

¹⁴¹ Harkavy to "Files," August 26, 1957, F.F.A., Box 410, "Program Development, 1957" file.

III. FROM "BIG PUSH" TO TERMINATION: THE ROAD NOT TAKEN

A. SPREADING THE WORD

American business schools are now in a period of unusually rapid transition. Leadership is passing from "first generation deans" appointed in the twenties and thirties to a younger generation with a different background and outlook. Both broad and specific developments in the behavioral sciences, in organizational theory, and in mechanical facilities for data processing and computation are having an impact on business school faculties and curricula. The pressure of college enrollments, while burdensome, also offers opportunities for raising admissions standards and quality of instruction in the business schools. The present is thus a particularly strategic time for fresh thinking about the objectives and techniques of education for management responsibilities.¹⁴²

By 1958, the revolution was most definitely on the offensive. Internally, the program fit in with other Ford agendas: reformer insistence, for example, that business education be based upon a liberal undergraduate education dovetailed with simultaneous efforts at Ford to improve liberal arts education throughout the nation's colleges and universities. Ford, under both Gaither and his successor Henry T. Heald (formerly president of the Illinois Institute of Technology), used the business program as a model for several additional professional school initiatives, including engineering, law, and education. The program was "safe" in many respects: it was virtually immune from Congressional criticism, it had the support of key Ford trustees and staff, and its staff made prudent and relatively small grants (by comparison, in 1956 Ford announced grants for faculty salary increases to all accredited American colleges) and could readily document improvements. Finally, the program did not appear open-ended.

Two years earlier, the foundation's sale of a large block of Ford Motor Company stock vastly augmented its financial assets. This in turn assured that lack of funds would not inhibit the revolution. On the other hand, the program could be limited by the lack of Ford personnel. Carroll, Bach, and Oscar Harkavy were the program's mainstays; Carroll's promotion to vice president led to a succession of EDA directors, most of

¹⁴² "Activities of Program in Economic Development and Administration During Fiscal 1956," 4, op. cit., footnote 35.

whom were economists interested in other EDA activities. In a sense, the revolution had become personalized -- Carroll's support and the program's relative smallness guaranteed its continuance during his tenure; its subsequent fate depended in large measure upon the recruitment of a comparable leader.

The official rhetoric supporting the program changed little in the first half dozen years. Indeed, just as earlier foundation representatives cited the international situation to justify the EDA program, Carroll invoked Sputnik and the Soviet economic challenge in his public pronouncements. The Russian economy overall, he noted, had grown at double the rate of the American. He cited C.I.A. Director Allen Dulles' assessment that the Soviets could make concessions to consumer demands "...without fundamentally altering the general tempo of their present industrial and military programs," and that the United States should not underestimate their "...very real achievements, their growing power, and their rapid rate of progress." Carroll concurred with Dulles' conclusion that as this, America's greatest peacetime challenge, "...is very largely based on the economic and industrial growth of the Soviet Union, it is one which concerns very directly the business leaders in our country." He added "...with great emphasis," that it also concerned "the business, engineering, and science educators of our country."¹⁴³ Reform of business education, along with many other educational causes in the 1950s, became nearly synonymous with patriotism, a stance which placed faculty opponents of reform, as well as foundation critics, on the defensive.

By 1958, Carroll could point to several progressive trends, including the abandonment of vocationalism, the revision of curricula (including incorporation of the case method, mathematics and the behavioral sciences), the reduction of specialized course offerings, the growth of doctoral programs, and a heightened research orientation. However, save for ventures into a few additional institutions (such as New York University and Wharton), the revolution remained largely concentrated at the centers. In the long run, this did not satisfy either the foundation trustees or the various constituencies with heightened expectations for reform and, not least, for funding.

¹⁴³ Thomas H. Carroll, "Trends in Education for Business," May 10, 1958, 28th Annual Business Conference, University of Michigan, Ann Arbor, Michigan, F.F.A., Box 739, "Speeches, T. H. Carroll." See also Economic Development and Administration, "Program Developments," April 13-16, 1959, F.F.A., Box 408, "PEDA Staff Memos: General Program," in which a discussion of overseas activity is prefaced by a discussion to the EDA's basic objectives and their relation to the Communist economic challenge.

In 1957 and 1958, a tension began to emerge between two sets of priorities. On the one hand, many, - including Bach and Howell - remained convinced that research should continue to receive the highest priority; after all, the most difficult projects took time to nurture, and the number of potential researchers was still inadequate. Others felt that without a rapid trickling down of the revolution's initial results to the hundreds of other business schools and to the many business departments within liberal arts colleges, the revolutionary elite might find itself with no following. In addition, without dissemination, the "New Look" would at best have a minimal effect on the American economy. Ford staff members recognized the pitfalls of disseminating tentative research results. They also recognized that, dissemination implying application, the greater the program's "problem-orientation," the greater its potential for stirring controversy.¹⁴⁴ Although they decided that this orientation was "probably beneficial," they also knew that "It is often easier, both from the point of view of avoiding controversy and supporting top-notch scholarship, to retreat from problem-oriented research to more cloistered academic activity." At the time they concluded that "There is room in the program for both."¹⁴⁵ But a few years later a foundation official who investigated the degree of program adherence to the Advisory Committee's 1953 report discovered that between 1954 and 1959, "...the program has devoted most of its attention (and funds) to research...given strong but conventional support for personnel [graduate education], and...been weakest [with less than 10 percent of available funds] in dissemination."¹⁴⁶

Initial dissemination activities were conceived quite broadly and imaginatively. Three-year visiting professorships in the social sciences, mathematics, and statistics were envisioned for schools such as North Carolina, Washington, Wisconsin, and Indiana. These schools were characterized by Carroll as of "...rank immediately below such leading institutions as Harvard, Chicago, MIT, and Carnegie Tech, all of which have added to their staffs a significant number of applied mathematicians, statisticians, and social scientists."¹⁴⁷ Business Administration Faculty Fellowships were designed for

¹⁴⁴ The staff specifically had in mind the contemporary Congressional investigations into monetary policy.

¹⁴⁵ Harkavy to Carroll and Reynolds, January 28, 1957, F.F.A., Box 410, "Program Development, 1957" file.

¹⁴⁶ Victor R. Fuchs to Kermit Gordon, August 9, 1960, F.F.A., Box 408, "Staff Memos: Victor Fuchs" file.

¹⁴⁷ Economic Development and Administration, Planning Memorandum MP-1, "Visiting Professorships for Social Scientists at Business Schools," attached to Carroll to Heald, May 5, 1958, Heald Papers, F.F.A., Box 2, Series 1, file 27.

current teachers of business at any AACSB member school who were "...aware of their deficiencies in these areas and...anxious to 'catch up.'"¹⁴⁸ A publication series of outstanding dissertations was aimed at "wide dissemination...to serve as stimulants to improved graduate research." Even the "...wide dissemination of a carefully formulated statement of criteria should in itself be helpful in improving the quality of doctoral research."¹⁴⁹ After initial publication in relevant scholarly journals, the social science review essays by Dahl, Lazarsfeld and Haire were collected and published in a booklet.¹⁵⁰ While some later criticized this multi-phase dissemination program for its failure to segregate mathematics and statistics from the social sciences, thereby permitting the strengthening of the former at the expense of the latter, the combination made sense to Carroll, whose major objective was the introduction of a variety of new techniques and methodologies to a wide audience.¹⁵¹

Another major dissemination activity was the so-called "bootstrap" or "less prominent schools" plan, which was designed "...to encourage the improvement...of the teaching of business administration in those institutions which tend to follow rather than lead."¹⁵² The plan had four main components. Carroll placed much hope in a series of "new developments" summer seminars (Carnegie administered the first, and Chicago the second) which were "designed to make the teacher [at a less prominent institution] aware of new developments in his field and suggest how he can use them in his teaching."

¹⁴⁸ Carroll envisioned the fellowships for study rather than for research but said "...there would be no objection to fellowship holders' proposing to devote up to one-half of their time on scholarly research." (Economic Development and Administration, Planning Memorandum MP-2 "Business Administration Faculty Study Fellowships in the Social Sciences," Ibid.)

¹⁴⁹ Economic Development and Administration, Planning Memorandum MP-5 "Dissertations on Business Problems," Ibid.

¹⁵⁰ Economic Development and Administration, Planning Memorandum MP-6, "Survey Articles Inventorying Business Research in the Social Sciences." Ibid.

¹⁵¹ G. L. Bach, "Lessons from Business Education, October 1, 1966, attached to Bach to Marshall Robinson, October 5, 1966, F.F.A., Box 383, "Business Education: Evaluation of" file, 14.

¹⁵² "EDA Special Budget in Business Education, 1958-1959," F.F.A., Box 408, "PEDA Staff Memos: General Program."

Next, Ford also hoped to sponsor written materials, which would essentially be texts "describing recent important research results and new applications of the techniques and concepts of underlying disciplines, background information leading to an understanding of their significance, and suggestions for pedagogical presentation."

Third, Ford offered summer-session fellowships for advanced graduate study by business faculty who had not as yet completed their doctoral course-work. Noting that only half the full-time faculty of the leading business schools held doctorates, Carroll commented that many instructors had to teach subjects in which they had received no formal training. He arranged for Indiana University to offer such fellowships and instruction.

Finally, Ford provided for relatively small amounts of research funding for faculty in less prominent institutions. Most would go to "...a small number of schools having on their staffs a nucleus of research-minded faculty members." Some funds would be reserved for faculty at other institutions; awards would be made not only on the basis of probable research results, since requests from elite campuses could make the proposals from other schools noncompetitive, but "...also on the likely impact in invigorating the intellectual climate of these lesser business schools."¹⁵³

The University of Washington fit well into Ford's classification of institutions with a limited research nucleus. The percentage of faculty holding the doctorate increased from 23% in 1953 to 50% in 1957, research expenditures grew from \$712 in 1953 to \$36,645 in 1956, a faculty research group was organized, and research topics represented "...a break with the [locally or regionally oriented] research previously carried on in that they pretend to national or even global significance."

On the other hand, the Washington faculty candidly admitted that much work remained to be done. "Some of the studies," their application to Ford stated, "appear to be well-formulated, others are still in the development state, a few lack research focus or depth in the present form." Oscar Harkavy of Ford observed that "A severe critic would hold that those of the proposed projects which are not pedestrian are somewhat fatuous," and that few original contributions to knowledge could be expected. On the other hand, he recommended support since "...the group is well aware of its own limitations and has a firm intention of breaking away from research of purely local

¹⁵³ Economic Development and Administration, "LP Working Plan: Allocation of Appropriated Funds," copy in Ibid.

interest."¹⁵⁴ The foundation eventually awarded Washington \$75,000 under the "bootstrap" program, one of the largest of about ten such awards.¹⁵⁵

When Harkavy surveyed business school publication lists a few years later, he found a "...marked absence of interesting research outside of the top ten or dozen."¹⁵⁶ The research grants made to less prominent institutions had clearly not yet stimulated much original scholarship; indeed Ford eventually concluded that real improvement awaited arrival of a replacement generation, and the reeducation of current faculty. However, they might well have accomplished their primary aim -- the inculcation of research norms among the grantee faculties, which might eventually bear fruition in the work of these faculty members as well as in that of their doctoral students. At the time, the foundation viewed this development as unreservedly positive. Only later did some wonder whether, by diverting faculty attention, such norms actually inhibited the process of curricular revision which was at the heart of Ford's dissemination strategy or, worse, whether such a research ethos was at all appropriate at such institutions.

Of course, the Gordon-Howell Report was Ford's most visible dissemination product. The report was originally intended to cover "...every sort of management education, including training provided in schools of business, liberal arts colleges, schools of engineering, and elsewhere. It would also include a careful appraisal of the actual hiring requirements of employers and the nature of the market for business

¹⁵⁴ Austin Grimshaw to Carroll, December 17, 1957 and attachments, and Harkavy to N. Chamberlain, April 2, 1958, F.F.A., 59-73, Section IV.

¹⁵⁵ See Carroll to Heald, December 8, 1958, F.F.A., 59-73, Section I. Chamberlain added a stipulation that funds be awarded by a committee of "...the more research-minded people on your faculty," and commented that the motivation behind the grant was to encourage a more theoretically-oriented kind of research than most business schools had conducted in the past. (Chamberlain to Grimshaw, December 2, 1958, Ibid., Section IV) On the grant's use, see College of Business Administration, University of Washington, "Report to the Ford Foundation on Grant of December, 1958, of \$75,000 for a Five Year Period," Ibid., Section III.

¹⁵⁶ Oscar Harkavy memo to Marshall Robinson, "Lessons Learned from Ford Foundation Support of Business Education," November 4, 1966, F.F.A., Box 383, "Business Education: Evaluation of" file. "A careful examination of these lists has not materially disturbed our previous impressions as to the state of research at the less prominent schools. The fact that this request has been ignored by thirty-three schools can, I believe, be taken as evidence of an embarrassing paucity of research output at these institutions." (Harkavy to Neil Chamberlain, February 24, 1959, F.F.A., Box 408, "EDA Interoffice Memoranda 1959" file)

executives."¹⁵⁷ The study was eventually limited to college or university education for business "primarily although not exclusively as it is offered by university schools of business administration."¹⁵⁸ Harkavy's list of basic questions included the absolute worth and relative emphasis to be placed on "operations" and "administration" in revised curricula, the importance of acquiring a "trade" or "technique" on the undergraduate level, the effect of "intellectualization" on enrollments,¹⁵⁹ the employability of graduates, and the implications of a shift towards graduate level instruction.

The choice of authors to conduct the study would obviously be crucial for its legitimacy as well as its quality. Factors such as the prospective authors' locale and disciplinary orientation received careful attention. For example, it was decided that close association with Harvard's Business School, in fact with any highly distinctive business school, could make the report appear an advocacy document rather than a comprehensive, objective report. Nor would it be wise to retain an economist, or another disciplinarian "...who starts out with a feeling that business administration is not a fit subject for higher education. This tendency, of course, can be detected among most academics who are not connected with professional schools."¹⁶⁰ Harkavy's short list had fifteen names, mainly scholars from the east coast, but included that of Robert Gordon of Berkeley. Although not the foundation's first choice, Gordon was relatively high on the short list and had impressive credentials as an economist with strong business school ties. Gordon was retained on the foundation staff for the project's duration, along with James Howell, a recent Ph.D. in economics from Yale, who was

¹⁵⁷ "Progress Report on Program III," Carroll to The Program Committee, January 16, 1956, F.F.A., Report 010585, 3-4.

¹⁵⁸ Gordon and Howell, Higher Education for Business, vii.

¹⁵⁹ "If emphasis on putting 'intellectual content' into the undergraduate business schools carries the day, what will happen to the nine tenths of the present undergraduate business school enrollment; which winds up just above the physical education majors on the intelligence scale? If they are pushed out of the business schools, will they become economics or English literature majors? What effect will this have on their chances for employment and their efficiency on the job?" Harkavy to Reynolds, December 14, 1955, F.F.A., Box 410, "Program Development, 1955" file.

¹⁶⁰ Ibid.

strongly recommended by one of Ford's key advisors, EDA director Lloyd G. Reynolds.¹⁶¹

While the revolution was already well underway by the time of its issuance in 1959, the Gordon-Howell Report had substantial impact at both elite and non-elite institutions. Howell's own opinion represented a broader consensus.

The Gordon-Howell study was a "surprise" because the Foundation staff simply didn't realize the gap that existed between themselves and the leaders in business education, on the one hand, and, on the other, the vast bulk of the field, including even many faculty members at major universities. This gap existed as late as 1960 even though the Foundation's major efforts in business education were by then past. Without that report, or an equivalent, much of the impact of the disseminatory efforts would have been lost; it brought home to the field that change was necessary and, partly as a result of Foundation interest, inevitable.¹⁶²

John Wheeler's full scale evaluative report on the entire Ford effort called it "...the single most important factor in determining the nature of curricula in schools of business administration in the United States today."¹⁶³ Oscar Harkavy similarly concluded that the report was

much more influential than I had expected at the time of its commissioning. The book was taken seriously by teachers of business, particularly at the lesser institutions. One of my former colleagues at Syracuse said that his curriculum committee meetings were games of Russian roulette played with professors' careers, as vocational courses

¹⁶¹ The authors called this arrangement a matter of administrative convenience and insisted that "The research and writing were carried on in all respects, however, as if there had been a research grant administered by a university." (Gordon and Howell, Higher Education for Business, x)

¹⁶² Howell, "The Ford Foundation," 26-27.

¹⁶³ "Even in the schools which still have major deviations from the recommended curricula," Wheeler continued, "the explanation usually lies in inability to effectuate the change rather than failure to want to make the suggested curriculum revision." (Wheeler, "Collegiate Business Education," 179)

were cast out of the curriculum in favor of work in the behavioral sciences and modern mathematics. Gordon seemed somewhat discomfited by the tendency of EDA to go ahead with innovative programs without waiting for the book to tell it what to do. In fact, Gordon and Howell made very few program suggestions that had not already been put into effect by the Foundation by the time the book came out. This was inevitable with an aggressive Foundation staff actively engaged in working out new programs, but the book was extremely useful as a guide to the profession, if not to the EDA staff.¹⁶⁴

Harkavy's comments offer a credible interpretation of the report's role: it both ratified and advanced the revolution. However, the format of the report, which was a hefty 500 page tome, did not lend itself to easy dissemination. Although copies were made available to all business school professors, deans, institution presidents, and other concerned parties, Carroll soon concluded that its prohibitive length made necessary a summary document. This piece, entitled *The Education of Businessmen*,¹⁶⁵ was written by Leonard Silk (then a senior editor at *Business Week*) under the auspices of Committee for Economic Development, with the project initiated and funded by the Ford Foundation.¹⁶⁶

Thus, in the late 1950s, the EDA staff turned from the fomenting of palace coups to the creation of a broader revolutionary base. John Wheeler concluded that of all the efforts at dissemination, the most successful were the Gordon-Howell Report and the well-attended seminars and workshops that were conducted, usually during the summer, at various leading business schools.¹⁶⁷ In all, at least 1500 faculty from 300 institutions attended these programs. However, it was symbolic of the program's fate as a whole that several workshops originally intended as dissemination efforts evolved into research seminars, and that the most successful of these emphasized quantitative

¹⁶⁴ Harkavy "Lessons Learned," 3.

¹⁶⁵ (New York: Committee for Economic Development, 1960).

¹⁶⁶ See Carroll to Heald, June 27, 1960, F.F.A., 59-461, Section IV, and Floyd Bond to Kermit Gordon, June 16, 1960, Alfred C. Neal to Carroll, November 7, 1960, and Carroll memorandum, November 11, 1960, F.F.A., 61-24, Sections I and IV.

¹⁶⁷ Wheeler, "Collegiate Business Education," pp. 164-170, and Howell, "Report," 22-23.

methods. Wheeler criticized the ad hoc nature of those dissemination efforts that were undertaken as ancillaries to research and curricular projects -- areas in which, he felt, dissemination might have rapidly advanced the reform cause.

The [curricular] revisions that were made as a result of the [Ford Foundation] grants have had virtually no impact upon other schools because there has been very little publicity given to the resulting programs. If pilot programs are supported at individual institutions, the results must be given widespread dissemination if the grants are to achieve the objective of a general improvement in curricula.¹⁶⁸

Whatever else they accomplished, the several dissemination activities appear to have been politically necessary within the foundation to demonstrate genuine commitment to the trickle-down strategy of educational reform. And with the publication of the Gordon-Howell Report, the foundation received widespread recognition for its bold leadership in this neglected field of professional education. Just two years later, however, the Ford Foundation trustees voted to terminate the business education program.

¹⁶⁸ Wheeler, "Collegiate Business Education," pp. 126-127. "Throughout this study," he continued, "the author has been impressed with the poor communication among schools of business resulting from the lack of a single universally read journal as found in other professional and academic fields." (Ibid., 127)

B: THE STUDY OF BUSINESS AND EDUCATION FOR BUSINESS

The relationship between business schools and business practitioners is a peculiar and often vexing one. Businessmen look to the business schools for new recruits, but business schools--except for a few leading ones--tend to look to businessmen for approval and even guidance on curricular matters. The result is that major improvements in business education are sometimes inhibited by a lack of appreciation by businessmen of new academic developments and sometimes by a suspicion that business schools are not inculcating the "right" values. Business schools often look on businessmen as clients whom they must satisfy, an attitude which undermines their independence and academic initiative.¹⁶⁹

At first, there appeared to be universal agreement among reformers. Business education should lead business practice, not follow it. Research would improve practice; and, given the few scholars interested in business, resources to encourage research should be concentrated in those business schools with a clearly defined research mission and with able practitioners. Most elite institutions could duplicate Allen Wallis' list of Chicago business community members who stood ready to support a school with a long range research agenda. Indeed, Donald David offered substantial in-house support.

What I would love to see, sometime, some place, is an institute for research into business education, a center where interested people would come to develop standards, both improved methods and standards for teaching the subject. You may remember that a good many years ago, the Flexner Report, with the aid of the Rockefellers, revolutionized the teaching of medicine. They worked with a comparatively small number of schools, and medical education took on a brand new tone as a result. I think there's an opportunity for this in business education; we're about ready for it...This has never been attempted and the field is crying for it...if we picked relatively few schools to work with, I think that in ten years we could change the whole course of business education.¹⁷⁰

¹⁶⁹ Neil Chamberlain, "EDA Program Objectives," attached to Chamberlain to Carroll, January 18, 1960, F.F.A., Box 408, "PEDA Staff Memos: General Program" file.

¹⁷⁰ AACSB, Faculty Requirements and Standards for Collegiate Schools of Business: Proceedings of a Conference on Professional Education for Business held October 27-29, 1955 at Arden House, Harriman Campus

The "trickle down" theory and the emphasis on research remained dominant within the business education program throughout its history. The EDA staff had a strong proclivity towards research. During Carroll's leadership, EDA poured \$9.5 million into a program entitled Resources for the Future, \$7.2 million into the Brookings Institution for policy-oriented research, and \$4.1 million into the National Bureau of Economic Research for empirical analysis. Even in 1958, the year of the "Less Prominent Institutions" initiative, Ford held eight conferences on possible new research ventures, and continually evolved new projects (not all of which would be funded). Possibilities under consideration in 1958 included development of three-man research committees in the functional fields to guide younger, often isolated, faculty; a documentation center; regional research centers built upon existing institutional strengths (the Western Data Processing Center at UCLA, based upon an already installed sophisticated IBM 709 computer, was the most prominent such funded center); research units housed in business firms; and summer research conferences among researchers on cognate subjects.¹⁷¹ Of course, all knew of EDA's dissemination mandate, and Carroll did his best to cover this flank. "Scarcely any grants have been made in 1956 which could be classified *exclusively* as grants for dissemination of economic knowledge," stated an EDA document. "Many of the research grants approved, however, carry *built-in provision* for wide circulation of findings. Such provision is regarded as a strong favorable factor in screening project proposals."¹⁷² However, the perceived disparity increased over time.

As long as Thomas Carroll remained at the helm, EDA continued to pursue its business education objectives largely through the funding of research at elite institutions. However, each year the program became more vulnerable, especially because EDA maintained a restricted definition of "dissemination" which excluded direct education of

of Columbia University (New York: AACSB, 1958), 105-106 as quoted in Wheeler, "Collegiate Business Education," 76-77.

¹⁷¹ "EDA 'Special Budget' in Business Education, 1958-1959," undated, F.F.A., Box 408, "PEDA Staff Memos: General Program." The same memo listed other areas of lesser priority, but with staff planning underway: grants to schools with promising leadership engaged in major program improvement, examination of the place of industrial engineering in business education, and encouragement of businessmen's continued study of business.

¹⁷² "Activities of Program in Economic Development and Administration During Fiscal 1956," Carroll to the President and the Program Committee, July 9, 1956, F.F.A., Report 010429.

the current generation of businessmen. Noting the existence of management seminars for the purpose, EDA concluded that such projects offered insufficient leverage.¹⁷³

Sentiment gradually grew within the foundation that perhaps EDA's efforts had been too concentrated. Business education had been justified under the EDA mandate to improve the "organization, administration, and performance of economic units." "In practice," concluded Neil Chamberlain, no enemy of the business education initiative, "economic administration' in the program's objectives has been interpreted as 'business administration.'" Chamberlain suggested public economic administration as an area ripe for exploration; other, less sympathetic Ford staff similarly suggested considerable broadening of EDA's focus on administration.¹⁷⁴ Indeed, a few questioned Ford's entire role in business education.

The business education program also became entangled in its own rhetoric. "In all the United States today," wrote Bach in a typical statement, "there are not more than perhaps two dozen [imaginative, skilled research] men..., including those from the underlying disciplines who have demonstrated active interest in the problems of business administration. Even if the number is double this estimate, it is clear that such leadership is the bottleneck in the entire problem."¹⁷⁵ By 1960, well over twenty million dollars had been expended on a program based on the success of a few dozen individuals at a handful of institutions. Without a broadened program base, questions quickly arose whether the few professors in the pantheon could absorb any more funding, and whether the program fostered "pirating" rather than orderly growth. Further, taken to the extreme, Bach's stance raised serious questions about the training and competence of the

¹⁷³ See Chamberlain to Carroll, January 28, 1959, F.F.A., Box 408, "PEDA Staff Memos: General Program," in which Chamberlain proposed such activities.

¹⁷⁴ Chamberlain, "EDA Program Objectives," 6, and Fuchs to Gordon, August 9, 1960, F.F.A., Box 408, "PEDA Staff Memos: Victor Fuchs" file. "The first objective of the Foundation in supporting research and teaching activities ought to be the support of excellence and of pioneering ventures that hold substantial promise," Wheeler quoted a Ford consultant in a typical rationale for concentration of effort, "Big as the Foundation is, it cannot hope to move the great mass of American education by pushing everywhere at once." (Wheeler, "Collegiate Business Education," 182)

¹⁷⁵ "Possible University Centers for Basic Research in Business," Bach to Carroll and Chamberlain, November 30, 1959, draft, attached to Bach to Nancy Dennis, November 30, 1959, F.F.A., Box 408, "G.L. Bach, Misc Material" file.

entire current generation of businessmen -- an important issue for the foundation's long range goal of corporate assumption of aid to business education, as well as for the nation's economic well-being. And as the curricular reform and research efforts increasingly emphasized abstract mathematical modelling, critics wondered when, if ever, it would demonstrate relevance for improved practice. And, finally -- always lurking not too far beneath the surface, as the AACSB observed Ford's funding pattern with increasing skepticism -- what were the rest of American business schools supposed to do in the meantime?

While these issues lay festering and unresolved, another matter arose which ultimately led nowhere but absorbed considerable staff energies and created some dissension among the elite institutions. Between 1958 and 1961, EDA devoted much attention to the proposed creation of one or more research super-centers for the study of business. The gift's projected magnitude (most documents suggest about \$10 million) would have made such centers national forces in business education. Neil Chamberlain, an advocate for a single national center, deemed it important for "...an atmosphere congenial to basic research, providing materials to be brought into the classroom superior to simple case collection of present business practices or the itemization of 'principles.'"¹⁷⁶

Bach, however, opposed a national center which might well have recruited members of his own faculty. Instead, he urged creation of one or more university-affiliated centers which "...would keep the most distinguished men in their university communities, where they could continue to exercise important influences on regular graduate programs, while at the same time protecting their time and energy for focus on the research effort." Freed from teaching and committee assignments, but able to draw upon extant university resources (graduate students, libraries, colleagues in other disciplines, who were important for the development of new analytical approaches and concepts), the senior researchers who headed such centers would in turn exert a commanding influence over their institutions and their colleagues elsewhere.¹⁷⁷ University-associated centers would assure retention of links between research and graduate education, connections most were reluctant to give up given the paucity of those able to train a new generation. When a series of conferences on research in

¹⁷⁶ Carroll to Chamberlain, January 28, 1959, F.F.A., Box 408, "PEDA Memos: General Program" file.

¹⁷⁷ G. L. Bach to Carroll and R. L. Gordon, "Foundation Policy Towards Basic Research in Business," December 14, 1960, F.F.A., Report 002592.

business in 1958 elicited the same objection to a national super-center, Chamberlain conceded defeat and, instead, examined possible locations for a university-based center as envisioned by Bach.¹⁷⁸

Bach himself recommended two locations: Carnegie Tech and Harvard-MIT. The former's strength in the behavior of the firm, in developing research methods, and in recruiting a multi-disciplinary faculty, and the latter's resources and movement towards new approaches, made them strong candidates "...although either institution [Harvard and MIT] alone has demonstrated ability to focus fundamental research only on particular sub-areas." One might, Bach commented, make a case for Chicago. "Quantitative methods and perhaps one or two of the functional fields seem to be the strongest areas as yet; grave weaknesses in the behavioral sciences and some functional areas raise some questions about a more general research focus." New York City offered a fourth possible location, but both Columbia and NYU "...have serious weaknesses as possible locations," and while a center could draw upon many junior faculty, "it would probably get less basic research done because it would not rest on an already active, fruitful basic research environment..."¹⁷⁹ However, a New York location had some strong supporters within the foundation. Not only had Chamberlain written in favor of both New York and Carnegie Tech, but Donald O'Connell, a Courtney Brown protege recently recruited to the Ford staff, urged a New York center based upon joint university participation.¹⁸⁰ The possibility of such a center may have mollified Brown when in the fall of 1959 EDA announced the award of the international center to Stanford; the projected research center's budget would have been of the same magnitude, and Columbia would have been the central institution in any projected consortium.

By early 1960, it appeared that a consensus had formed around creation of New York and Carnegie centers;¹⁸¹ however, the project came to naught. Three reasons help

¹⁷⁸ Howell reported that the AACSB also urged creation of a national center "...under their sponsorship, of course." (Howell, "The Ford Foundation," 17)

¹⁷⁹ Bach, "Possible Centers for Basic Research," 10-12.

¹⁸⁰ Chamberlain, "EDA Program Objectives, 7, and O'Connell memorandum, August 18, 1959, as quoted in Bach, "Possible University Centers," 12.

¹⁸¹ See Bach to Carroll and Chamberlain, January 22, 1960, F.F.A., Box 408, "EDA Office Memoranda 1960" file, in which Bach appears to accept the New York-Pittsburgh decision.

to explain the project's failure to get funding. First, while the Ford Foundation had close ties to Courtney Brown, he did not appear the best man around which to organize a major research effort. Yet to avoid New York and a resultant Brown connection appeared impossible. Brown's policy of faculty promotion based upon multiple criteria, rather than according primacy to research; his dislike of quantitative analysis; and his poor relationship with other divisions of Columbia did not bode well for his sponsorship or leadership of an innovative, interdisciplinary research center.

Second, shortly after a consensus had finally been achieved, EDA experienced a staff turnover affecting not only the future of the centers, but also the future of the entire business education effort. Carroll presented the business super-center and the international training program to Heald at the same time, and the foundation president perhaps exacted the price of the former's delay for the latter's approval. The departures of Chamberlain and, soon after, of Carroll, made the foundation reluctant to encumber their successors' budgets until they were recruited and until the entire direction of the EDA effort had been reviewed as part of those recruitment efforts.

Finally, the case for giving high priority to creation of such research super-centers was not particularly strong. Bach's arguments about the paucity of first rank researchers could be turned against him: indeed, his own concerns led him to urge a limitation on the size of the projected centers. Chamberlain's major argument for a super-center lay in the relative disparity in research conducted in economics departments and in business schools. "It would appear from a comparison of the amounts spent on research in economics and research in business administration that the latter has not been a matter of much Foundation interest," he wrote in his valedictory evaluation. "This is not true, however. The fact is simply that the business field has no research tradition and even now its faculties have little research orientation."¹⁸² However, others at Ford could and did measure research expenditures against dissemination and training missions within the business education program, and found the program imbalanced in precisely the opposite direction. By mid-1960, it became clear that the idea of one or more research super-centers would be placed in temporary abeyance (Ford made several additional grants to Columbia in the next few years, perhaps in part because of the ultimate failure to fund the projected New York center).

In late 1960, Thomas Carroll resigned from the Ford Foundation to assume the presidency of George Washington University. Henry Heald claimed to have

¹⁸² Chamberlain, "EDA Program Objectives," 7.

recommended Carroll for the position; whether his motives included a desire to remove Carroll from the scene is unclear.¹⁸³ Summing up Carroll's contribution, Kermit Gordon, an EDA director and later a foundation trustee, stated:

Tom Carroll...whatever his motivation may have been, made an important contribution in his stretch at the Foundation; a very important contribution in markedly upgrading the quality and effectiveness of graduate business education in America. I think this is an important achievement in the Foundation. To be blunt about it, Tom Carroll was not himself a very intelligent man, but he was intelligent enough to recognize intelligent men when he found them. It took a certain degree of shrewdness to identify the emergent leaders with the new and important ideas in graduate business education, and back them generously. This he did. Today, it is widely recognized that one of the most important, and certainly the most influential graduate schools of business administration in America is Carnegie Tech Graduate School of Industrial Administration. It has done more, I think, to influence the strategy and structure and general level of intellectual respectability of graduate business education than any school; more so than Harvard and I think the people of Harvard would concede this. Tom wasn't capable of providing the leadership himself, but he saw Lee Bach, who was then the dean of GSIA Carnegie Tech, a man who impressed him as having the insight and the intellectual quality and the core staff, to provide this leadership. And Tom buried the man in money. All it took was a telephone call from Lee Bach and the check was heading his way by return mail....graduate business education before the second world war was a kind of laughing stock in most universities in America. People tended to classify it with the school of education as at the very bottom of the pecking order on the campus. It is no longer. At Chicago, Stanford, Harvard, Dartmouth, Carnegie Tech, Indiana, their first class people at the graduate business schools do very important work. The general level of intellectual quality in those schools matches the level of the rest of the university at least. And I think the Ford Foundation had a great deal to do with this development. It was done by a man who was determined to make a

¹⁸³ Henry Heald interview with Charles T. Morrissey, January 7, 1972, 88. "I encouraged Tom Carroll to take the job at George Washington University, in fact, I recommended him for it when he went down there because it seemed to me that Tom needed this kind of experience."

mark in business education...a man of limited talents and understanding, but a man who understood the crucial importance of lots of money at the right time and had the capacity to identify leadership.¹⁸⁴

During Carroll's tenure, he became personally identified with the future of EDA and especially of the business education program. Heald commented that Carroll encouraged the frequent turnover in EDA directorships, after his assumption of a Ford Foundation vice presidency.¹⁸⁵ He

had a distinct feeling that, this work was his field of competence anyway, and he knew enough about it so he could provide the continuity as long as he was there and that the program would profit a bit by some exchange of personnel. And I think there was also a feeling that this program as a separate field might run itself out, which, in fact, it has. And that it perhaps didn't represent a career just working in that area.¹⁸⁶

While this identification worked to EDA's advantage in the short run, it left its fate beclouded when Carroll left only months after Neil Chamberlain's and Kermit Gordon's successive resignations as EDA program directors in 1960 and 1961. The foundation closely scrutinized EDA in the following months, asking hard questions about mission and internal program balance. Some advisers, such as Milton Katz, had never viewed the logic behind the business education program as compelling.¹⁸⁷

¹⁸⁴ Kermit Gordon interview with Charles Morrissey, December 19, 1972, F.F.A., 18-19.

¹⁸⁵ EDA directors from 1953 to 1966 included Carroll (1953-1955), Lloyd G. Reynolds (1955-1957), Neil Chamberlain (1958-1960), Kermit Gordon (1960-1961), Oscar Harkavy (acting, 1961-1962), Henry W. Villard (1962-1963), William Gormbley (acting, 1963), and Marshall Robinson (1964-1966).

¹⁸⁶ Heald interview, 79.

¹⁸⁷ Katz favored an emphasis upon the reform of undergraduate business education as part of a general initiative in reconciling contemporary educational trends with the tradition of liberal education. Commenting on the Special Budget for business education for 1958-1959, he stated that "...the emphasis seems to be exclusively upon the strengthening of specialized professional training for business. This is useful, but it is not clear why the Foundation should single out this particular area of professional education for such strong support....The emphasis should be on the contribution which these schools can make to education, rather than upon specialized training for business." Carroll and others in EDA responded that business education reform should be viewed within the

Carroll's personal endorsement of the program assured its continuance during his tenure, especially since it required a relatively small share of Ford's increasing resources. With Carroll gone, the program's future would depend in part upon objective evidence and in part upon the person recruited to run EDA.

The foundation's first choice was George Leland Bach. Having consulted for EDA since his membership on the 1953 Advisory Committee, Bach thoroughly understood the history and rationale for the program, and would probably have made judgments consistent with Carroll's. "Contact with Carnegie Tech, primarily through its dean's position as EDA's primary consultant, was always close--perhaps too much so," Howell wrote.¹⁸⁸ In practice, this meant a continued emphasis on research. It was a tribute to Bach's personal stature at Ford that he was offered an appointment, despite foundation gravitation away from the agenda he favored. If Bach had accepted, his price would probably have been creation of the university-affiliated research centers he had long advocated. On the other hand, his memos on the centers indicate his belief that even if they were funded, the foundation's major efforts in business education were probably over. Bach declined the offer stating that he felt Carnegie needed him for a while longer, that he wished to conduct some more teaching and research before turning again to administration, and that personal considerations played a role in his decision.¹⁸⁹ Several years later, Bach left Carnegie for a business professorship at Stanford.

Soon after, Heald announced that EDA would report to another vice president, Dyke Brown, and that Oscar Harkavy had been promoted to associate director of EDA and would serve as acting director, pending nomination of a permanent incumbent. The foundation eventually decided upon Henry Villard, who was dismissed after a short time, and then upon Marshall Robinson, dean of the Business School at the University of Pittsburgh, and previously at the Ford-supported Brookings Institution, who presided over the termination of the business education effort.

context of economic development rather than education. (Katz to Heald, "Priorities, 1958-1959," March 24, 1958, F.F.A. Report 010473)

¹⁸⁸ Howell, "The Ford Foundation," 15.

¹⁸⁹ Heald to Bach, February 2, 1961 and Bach to Heald, February 19, 1961, F.F.A., Heald Papers, Box 2, Series 1, file 28.

During Harkavy's tenure, Ford formally reviewed the entire business education program. Its conclusions were predictable. "Overall...the program has, in our judgment, proved to be the sort of program that only a Foundation with our resources could attempt," wrote the reviewers. "For to achieve change in an area as large and important as education for business, large support was essential." The report classified among the "outstanding" initiatives the Carnegie and Harvard expenditures, the fellowship programs, aid to Stanford (as well as a lesser amount to Wharton), allowing them to reenter the pantheon of business education leaders, the Gordon-Howell Report, and the various seminars and colloquia that were part of the dissemination effort. Least successful were the social scientific initiatives and the "less prominent" schools program, "...despite the attractiveness of such action from a democratic point of view..." In any case, the review concluded, diminishing returns had set in.

We believe that the era of heavy expenditures for this purpose by the Foundation is probably past. The momentum that has been developed is likely to be dissipated, however, if support is terminated too abruptly. The Program is currently considering how best it can reduce its responsibilities in this area without losing past gains. Support on a diminishing scale over the next five years will probably prove desirable.¹⁹⁰

The foundation staff, in an attempt to keep something of the program alive, considered proposing its continuation through an ongoing "Fund for Research in Administration" or "Fund for the Advancement of Business Research," similar to those sponsored by Ford during the Hoffman years. The idea went no further: not only had the foundation extricated itself from those previous ventures, it had decided that the terminal program would be just that.¹⁹¹

Marshall Robinson, who assumed the EDA directorship in 1964, later stated that the decision was based upon "...the proposition that major shifts had occurred in the leading business schools and that, hopefully, they would now sustain themselves. It was not meant to suggest that the foundation believed all the important problems were

¹⁹⁰ The Special Committee, "Program in Economic Development and Administration (including Population and Aging), "Evaluation (1953-61) and Statement of Current Objectives and Policies," December, 1961, F.F.A., Box 410, "The Special Committee" file, 11, 25.

¹⁹¹ James E. Howell, "A Terminal Program in Business Education: GCT," F.F.A., Box 366, "G.C.T." file, pp. 8-9.

solved, but since we had performed our 'seed money' role in this field, we believed it was now time to see what could grow on its own."¹⁹²

Ford's decision to terminate its effort at business school reform resulted, in short, from several factors: diminished attacks upon the foundation by external critics; the belief that enough had been invested to exert the leverage necessary to effect reform; the belief that further support should come from the community most interested in business education--the corporate sector; the lack of a strong advocate for the program's continuance; and a shift in the foundation's own perception of the program.

However, as we shall see, Ford terminated the program in grand style, by offering some of the largest grants. Bach was not alone in insisting that a precipitous Ford withdrawal would undo the good heretofore accomplished. Donald David argued, for example, that Ford should not abruptly terminate support, "...but should continue to extend the example it has established in a few leading university centers."¹⁹³ The foundation in effect separated decisions on indefinite continuation from consolidation of past accomplishments. And, indeed, a large variety of significant items could be included under the latter rubric.

¹⁹² Robinson to Neil Jacoby, August 4, 1964, F.F.A., 59-519, Section IV.

¹⁹³ The Ford Foundation Special Committee, Supporting Materials, v. 2, "Trustee and Staff Proposals for Ford Foundation Programs for the 1960s," Part 1, 17 (copy in F.F.A., Box 414).

C. A GRAND TERMINAL EFFORT

This revolution...is in full swing at a number of the leading business schools, and is getting under way in others to varying degrees. But the revolution is still in its early stages; the forces of mediocrity and stand-patism are on the run but still hold substantial power in most universities, including most of the leading ones. Thus, the next few years are crucial ones for capitalizing on the remarkable progress made to date and for developing fuller momentum. Many deans, though convinced that major change is needed and desirable, feel insecure in trying to force changes on doubting faculties, especially when the deans themselves all too frequently do not fully understand what is going on. Thus, continued strong external support for the central elements of improvement and change is crucial while new curricula are being developed, new courses are being established, new teaching approaches being installed, and, most important, while new junior faculty members are built up into positions of influence. Continued Ford Foundation support will be crucial over these years immediately ahead, both for the dollars involved and, equally important, for the symbol it represents of the new look in business education--a powerful support for younger faculty members and for deans pressing for change against strong resistance. Put otherwise, Ford Foundation withdrawal of active support in the near future would be widely interpreted as a retreat and a symbol of disinterest in pushing further for major change in business education, especially by faculty members and business groups anxious to maintain the status quo....¹⁹⁴

In the fall of 1959, EDA made its largest awards in business education to a single institution (Stanford), and in 1960, Ford's trustees approved a \$2 million special appropriation to sustain the program. Soon after, Neil Chamberlain was gone, Carroll had resigned, and major projects under consideration were stalled. Bach's late 1960 memorandum (quoted above) on program continuance displayed an appropriate urgency: the business education project's very existence was at stake. In December, 1961, a broad program evaluation resulted in a recommendation for discontinuance and, in June, 1962, the trustees terminated the program.

¹⁹⁴ "The Ford Foundation and the Revolution in Business Education," Bach to Carroll, September 20, 1960, F.F.A., Report 002591.

However, "termination" at a foundation with the resources of Ford (income had increased dramatically during the late 1950s and early 1960s despite vastly increased expenditures) could mean many things. The trustees announced an \$11 million dollar final grant authorization (almost a third of the program's entire expenditure) permitting "...a grand, terminal effort so we can go out with a bang rather than a whimper."¹⁹⁵ The last major appropriations from the authorized sum occurred in 1964; the complete phase-out took about four years.

Examination of the termination program reveals a significant contrast with EDA practice in the late 1950s. Whereas most of the funding under Carroll went for research, and specifically into the centers, the termination program evenly balanced allocations for research, dissemination, and doctoral training, as urged in the original Advisory Committee Report. The program also displayed a conscious attempt to maximize leverage within a specific time limit. Ford would not await the fortuitous appearance of disseminable research results; many faculty and deans still had to be convinced of the basic relevance of quantitative, social, and behavioral approaches. Earlier Ford grants, most of which had been one-time efforts, had convinced most foundation staff of the potential effectiveness of sustained dissemination efforts.

The termination grants broke no new ground but bolstered initiatives already considered successful.¹⁹⁶ The 1961 evaluation listed three notably successful initiatives:

¹⁹⁵ Howell, "The Ford Foundation," 35.

¹⁹⁶ This policy gave an advantage to some of the elite institutions whose early funding allowed them to display positive results. In contrast, the 1961 evaluation report deemed U. C. L. A.'s Western Management Sciences Center, established only recently with Ford funding, unproved ("broad impact remains to be demonstrated"). (As quoted in Wheeler, "Collegiate Business Education," p. 116). In 1966, Wheeler would write, "...the 'trickle down' [from the U.C.L.A. grant] is very evident. The West is the most advanced area in the country in terms of computer applications and the incorporation of the computer in teaching. The major reason for this is the effect that U.C.L.A. and the Western Data Processing Center had on other schools through its faculty fellowships, conferences and other activities. Interviews at Western schools showed that faculty who had no previous background with computers had been given enough training at U.C.L.A. so they went back and instituted courses, stimulated hiring of new faculty, and in other ways promoted the introduction and use of computers on their campuses. It was amazing to see the number of campuses where the introduction of a computer on the campus was initiated by business administration rather than the natural sciences." Although the U.C.L.A. research grant had perhaps the largest leverage of any institutional grant, its relative lateness virtually precluded further support during the terminal program. (Ibid., p. 137) In declining an application for terminal research funding EDA Director Robinson wrote UCLA Dean Neil Jacoby in 1964, "...the proposals concerning the WMSC [Western

center funding ("Foundation support helped Carnegie Tech take intellectual leadership for 'new' business administration; Harvard Business School has added to its reputation for best M. B. A. program by using outstanding mathematicians, social scientists to give doctoral program a 'new look'"); fellowships ("A major source of more and better teachers of business"); and the workshops and conferences ("New Developments" seminars in business administration: "Single most effective device to acquaint faculties with new concepts;" Institute of Basic Mathematics for Application to Business [a one-time effort in 1957]; "Landmark effort in raising mathematical competence for business teachers").¹⁹⁷ With a notable exception (that of a substantial grant to Columbia in 1964; see below), nearly all termination funds went to consolidate gains in these three areas.

About \$4.6 million went to six institutions (all of the centers except Columbia, plus M.I.T. and Berkeley) for long range, intensive, group programs in basic research, specifically aimed at "...the introduction of new methodologies, standards, and ideas from the underlying disciplines of mathematics, economics, and the behavioral sciences" into the functional fields.¹⁹⁸ Henry Villard, the next regular EDA Director after Kermit Gordon, characterized this portion of the termination program as "the support of research in a carefully defined functional field of business which the Foundation staff believes to be of major current importance and granted to the institution which the Foundation staff believes to be best qualified to encourage research in the chosen field."¹⁹⁹ The main thrust of the terminal program," stated another memorandum,

Management Studies Center] and the program in the Behavioral Sciences are clearly well directed and supported by distinguished research people. Had they been on hand several years ago, they might well have made promising candidates for the sort of basic research grants that were made part of the Foundation's terminal support program in business administration. Under present circumstances, however, they represent the sort of continued developmental proposals which the Foundation's staff expected would emerge as a result of the \$32 million ten-year program in business administration and which led to the decision to terminate support of this type." (Robinson to Jacoby, August 4, 1964, F.F.A., 59-519, Section IV)

¹⁹⁷ Wheeler, "Collegiate Business Education," 115.

¹⁹⁸ "Grant Request: Economic Development and Administration," Clarence Faust to Joseph McDaniel, Jr., July 27, 1964, F.F.A., 64-446, Section I.

¹⁹⁹ Villard to Heald, May 27, 1963, Box 383, "B. E. and R.: Gen. Corr. and Data" file.

"...will be toward changing and strengthening the core fields of business administration."²⁰⁰

Harvard received the largest share: \$950,000 for research on financial control and markets (\$550,000) and organizational behavior (\$400,000). The three other centers each received \$800,000, Carnegie for organizational behavior (\$400,000) and production control and management (\$400,000); Chicago for marketing and consumer behavior (\$400,000), financial control and management (\$200,000), and industrial relations (\$200,000); and Stanford for quantitative and computer sciences (\$400,000) and "the business environment" (\$300,000). Berkeley obtained \$700,000 in grants for marketing and consumer behavior (\$300,000) and for quantitative and computer sciences (\$400,000), while M. I. T., already the recipient of a substantial research grant in 1957,²⁰¹ obtained \$600,000 for financial control and markets (\$400,000) and for industrial relations (\$200,000). Encouraging research specialization among the functional areas would help assure balanced and "relevant," if not coordinated, research growth, Foundation staff believed. It might also diminish randomness in the "pirating" of faculty from one center to another; when they moved, faculty might be more inclined to go to centers with collegial strength and adequate funding in their own functional fields.

The Advisory Committee of 1953 had recommended a sustained effort to assure a continued supply of individuals capable of generating and disseminating the new insights inspired by foundation funding. Ratifying this emphasis, Ford appropriated about \$4 million over five years for its various fellowship programs: doctoral level for MBA holders, dissertation support, and faculty research. The graduate student fellowships were particularly aimed at encouraging MBAs to pursue further academic work, rather than immediate employment in business, and then at rapid completion of high quality

²⁰⁰ James E. Howell, "A Terminal Program in Business Education," March 23, 1962, F.F.A., Box 366, "G.C.T." file, p. 3.

²⁰¹ "A special case exists of a grant to MIT in 1957 of \$275,000 for Research in Management Problems. This grant was a gamble to support some very imaginative work by one man. It is doubtful that the results have been as great as might have been hoped and the 'trickle down' seems to have been quite limited although references to this work were found in a number of graduate and advanced undergraduate courses throughout the country. Nobody encountered in the interviews, however, appeared to be picking up the ideas generated and using them for further developments. The author believes, however, that there still may be long-term payoff." (Wheeler, "Collegiate Business Education," 138)

dissertations on "empirical, problem-oriented topics."²⁰² John Wheeler found that two-thirds of all doctoral fellowship recipients attended one of the eight institutions with the greatest Ford funding.²⁰³ Two-thirds of the recipients who completed doctoral work went on to academic careers.²⁰⁴ Wheeler also concluded that the program, effectively administered by Mariam Chamberlain, expedited receipt of the doctorate by an average of one or two years.

Faculty fellowships were designed to assure primacy of research rather than consulting and service; according to Ford's evaluators, this objective was largely met.²⁰⁵ Such programs required a significant level of expenditure (\$570,000 the first year, \$750,000 each of the next two), as well as substantial amounts of staff time for administration of the programs.²⁰⁶ As part of the "Big Push," Ford had already approved a series of "faculty study" fellowships in 1958, which especially enabled faculty with fairly narrow functional field expertise to obtain a year's sabbatical to learn quantitative and social scientific methods.²⁰⁷

²⁰² Mariam Chamberlain, "Summary Report on Fellowship Program in Business Administration and Economics," March, 1958, attached to Carroll to Heald via Joseph M. McDaniel, Jr., March 18, 1958, F.F.A. Report 005208; Ralph Brown, "Evaluation of Fellowship Programs in Business Administration and Economics," February 15, 1962, F.F.A., Report 002071; Wheeler, "Collegiate Business Education," 141-163; and Howell, "The Ford Foundation," 35.

²⁰³ Wheeler, "Collegiate Business Education," 147.

²⁰⁴ Ibid., 156.

²⁰⁵ The drawback was that EDA did not confine the awards to business professors; as a result economists dominated the competition until 1963 when separate programs were evolved for each group. (Wheeler, "Collegiate Business Education," 145)

²⁰⁶ Ford documents indicate much discussion over whether the programs should be internally or externally administered. Internal administration assured close staff attention to developments in business research, but came at the cost of attention to other programs. John Wheeler criticized the decision for making it nearly impossible for the programs to be funded by an outside source (e.g. business firms with no independent apparatus for fellowship program administration) after foundation support terminated. (Ibid., 162-163)

²⁰⁷ John Wheeler disagreed with Yale Law School Professor Ralph Brown's 1962 accepted recommendation that the faculty study program be terminated because of cost inefficiency as compared with a workshop series. Wheeler argued that the program helped educate a significant number of the field's young leaders at a reasonable cost and with minimal faculty dislocation. (Wheeler, "Collegiate Business Education," 143)

Ford allocated about twenty percent of the terminal funds (a significantly higher percentage than during the late 1950s) to various dissemination projects. Most evaluations concurred that, save for the Gordon-Howell Report, the most successful dissemination efforts were those which brought faculty from "less prominent" institutions to one of the centers, perhaps on a study fellowship, or for a workshop or conference. Direct aid to "less prominent" institutions, it was felt, offered less leverage.

As a result, most dissemination funding went to such workshop and conference activities, and by 1966 more than 1500 faculty members representing over 300 institutions had attended a Ford-sponsored workshop. Most were held on center campuses; evaluations found uniformly high enthusiasm among participants. Case seminar attendees reported replacement of descriptive materials by case studies in their teaching; quantitative seminar attendees reported some incorporation of quantitative methods into their research, but difficulties in effecting instructional change which often required substantial curricular modification. Permission was not easy to obtain from skeptical or hostile colleagues. On the other hand, these seminars positively affected individual research agendas -- program directors reported increasingly sophisticated intellectual backgrounds among seminar attendees, and an evolution in the workshops' substance from a general orientation to specific research agendas.²⁰⁸ Ford also sponsored a "new developments" workshop for new business school deans--an innovation which not only introduced them to recent research advances, but also to techniques employed by other administrators to implement the "New Look" on their campuses.²⁰⁹ In short, Ford concluded that a substantial commitment to improvement of instructional materials and teaching (as well as research) abilities was of central importance to the termination effort.

All of this left one large unanswered question in the minds of Ford officials: what to do about Courtney Brown's Columbia--an institution omitted from the list of grantees for research in the functional fields,²¹⁰ and from most dissemination

²⁰⁸ Ibid., 164, 169-170.

²⁰⁹ Indeed, the deans seemed to accept quickly the mathematical and behavioral approaches that were presented and gravitated to implementation questions. (See Neil Chamberlain to Oscar Harkavy and Donald V. O'Connell, September 12, 1961, F.F.A., Box 408, "EDA Interoffice Memoranda - 1961" file.)

²¹⁰ "For a decade, we had tried to put the interests of the students first. A propensity to place other commitments ahead of classroom teaching and office hours, conspicuous in some faculties at the time, was a practice we did not like," Brown wrote in his memoirs. "The academic professionalism of the limited and restricted research scholar, supported by a skill in grantmanship with foundations and by mobility among institutions, were matters that bothered us." (Brown, Dean Meant Business, 191)

activities.²¹¹ Having recruited new faculty and effected curricular change to his satisfaction, Brown viewed the replacement of the business school's antiquated facilities (the estimated cost of a new structure was \$9 million) as its major need. Indeed, Brown recounted that for a time he virtually turned over his administrative responsibilities to his associate dean, Clarence Walton, to devote full time to fund raising.²¹² By 1962, Brown had raised sufficient funds to break ground; in 1964, he requested \$763,000 from Ford to retire the building's debt and for related support of the school's doctoral program.

Ford had a long-standing policy against support of construction, but when Heald authorized a limited exception for support of engineering education, Carroll wrote a memorandum arguing for similar aid to Columbia, Chicago, and Stanford. Brown and Carroll argued that spatial considerations seriously hampered educational reform. Brown, for example, provided space for 96 "...fully equipped private study-offices of moderate size for doctoral candidates...located in the center of the four floors of faculty offices in a manner to maximize the proximity of the candidate with his adviser."²¹³ As important as remedying such problems as "...inadequate classrooms and office space, poor library accommodations, unsatisfactory research facilities, [and] insufficient conference and lecture facilities,"²¹⁴ was the drain fund-raising had been on Brown's time. Upon Marshall Robinson's recommendation, the trustees granted Brown's request. Indeed, they rounded it up to \$800,000, a reflection of the strength of Ford's portfolio, and made the grant in addition to the amounts authorized under the termination program.²¹⁵

²¹¹ James Howell, whom Ford brought in to design the terminal program, originally included Columbia among the grantee institutions "...with some hesitation...to receive support for faculty research in fields unspecified." Howell had discussions with Columbia officials "...but did not suggest the preparation of a proposal..." The matter was pursued no further. (Howell to EDA Staff, July 20, 1962, F.F.A., Box 366, "GCT" file, pp. 2, 3.)

²¹² Ibid., 183-190.

²¹³ "The Doctoral Program-Columbia Business School: Its Accommodation," attached to Brown to Robinson, March 4, 1964, F.F.A., 64-383, Section I, 7.

²¹⁴ Docket excerpt, Board of Trustees Meeting, June 19, 1964, F.F.A., 64-383, Section I.

²¹⁵ Interview with Marshall Robinson, June 4, 1986.

Ford's multifaceted terminal program not only allowed it to exit gracefully from subsidy of American business education; it enabled the foundation to right somewhat the unbalanced emphasis on research perceived during the program's middle years. While Ford's absence created financial difficulty for some regular grant recipients, the blow was cushioned by the gradual development of multiple external subsidy sources, notably the major corporations, which only a decade earlier had to be enticed into token contributions.²¹⁶ Indeed, to smooth the transition, in 1966 Ford conducted a seminar for IBM officials interested in extending their philanthropic support of business.²¹⁷

²¹⁶ "When the campaign [for the new business school building] was over," Brown wrote, my friends jokingly accused me of 'selling everything except the air rights.' And, indeed, most of the doors of the classrooms have a dedication plaque." (Brown, Dean Meant Business, 187)

²¹⁷ Harvard's Bertram Fox suggested that I.B.M. investigate the relationship of the business manager and the computer; strategic policy-making and decision processes in large organizations; human dimensions of organizational effectiveness; improving the use of price theory by business managers; the relationship between business and government; and the management of multinational businesses. He expressed a general caveat that funded research relate "...to problems which business administrators usually face in practice." (Fox to Ormsbee Robinson, March 22, 1966, F.F.A., Box 383, "Business Education: I.B.M. Conference" file).

IV. WHAT WAS ACHIEVED?

In general, one can conclude that there has been a significant change intellectually in business administration but to a great extent this has been limited to a small number of schools. The "trickle down" effect works very slowly, and it has only affected a small number of schools in any major way. Ford Foundation programs, primarily the workshops, helped to carry the change to a greater number of schools but they affected too few people to bring about major changes quickly. Certain changes such as the increase in quantitative requirements and the elimination of highly specialized courses and sequences have permeated schools at all levels including non AACSB schools.²¹⁸

As a proportion of total Ford Foundation expenditures between 1954 and 1966, the \$35 million spent on business education reform appeared miniscule. Ford's block giving during this period was extraordinary: \$550 million in 1956 to support American private colleges, universities, nonprofit hospitals and private medical schools; \$349 million in 1960 in challenge grants for a centers-of-excellence program among private colleges and universities; \$80 million in 1965 for symphony orchestras, and \$72 million in the same year for international-studies programs at American universities. During the early 1960s, Ford spent about \$300 million annually.²¹⁹ The real question was not, as some suggested, whether Ford had made a serious financial mistake in supporting a maverick like Columbia's Courtney Brown. Far more important was the question whether a foundation could develop an intervention strategy that would simultaneously make business education academically respectable while enhancing the perceived value of professional education for business practice.

The Ford Foundation's entrance into business school reform occurred at a most opportune time. The nation was on the verge of a major boom in college enrollments; the dramatic expansion of the cohort of those aged eighteen to twenty-four was accompanied by an expansion of the proportion of that cohort ready to invest in a college education. Under such conditions, institutions could strengthen their academic requirements while minimizing the risk of enrollment loss. This raised an interesting

²¹⁸ John Wheeler, "Study of the Business Education Program of the Ford Foundation: Status as of July 1, 1965," July 3, 1965, F.F.A., Box 0383.

²¹⁹ A brief history of the Ford Foundation is contained in Oona Sullivan, "Ford Foundation, The," in Harri M. Keele and Joseph C. Kiger, eds., *Foundations* (Westport, Ct: Greenwood Press, 1984), 127-135.

problem for those who attempted to evaluate Ford's intervention: Did beneficial results occur because of better students or because of better curricula? Among the Ford leadership, it was Harkavy who was the most outspoken in wondering whether the foundation's intervention was doomed to success:

There is no question but that the leading collegiate schools of business became more attractive to outstanding teachers and students as a result of Ford Foundation support. It is thus possible to sidestep the question as to whether an improvement in business education makes a perceptible difference in business management with the "logic" that if a particular branch of education attracts better teachers and better students, it can't help but produce a better product.²²⁰

Some Ford philanthropoids complained of receiving all the blame but little of the credit which they felt deans and faculties often reserved for themselves.²²¹ As a result, evaluators confined themselves to descriptions of changed status in school organization, curricula, and student composition between 1955 and 1965, without making causal inferences.

²²⁰ Harkavy, "Lessons Learned," 1.

²²¹ While 70% of a business school sample by reported post-1959 curricular revisions, only 16% offered the Gordon-Howell and Pierson reports as the primary impetus. (John J. Clarke and Blaise J. Opulente, The Impact of the Foundation Reports on Business Education (Jamaica, N.Y.: St. Johns University Press, 1963), 3-4).

A. SUBSTANTIVE REFORM

1. *Preparation for Business Education.* Between 1955 and 1965, the number of colleges offering courses in business administration increased from 150 to 200. AACSB membership increased from 80 to 117.²²² Ford officials, ever mindful of the Flexner Report analogy,²²³ were disposed to measure the success of the reform movement in business education by a key Flexner criterion: an increase in prerequisites for admission to business study. Before 1910, most American medical schools had required of applicants no more than only a high school diploma; Flexner urged a minimum of two years of collegiate study for those entering medical school. In post-World War II America, an undergraduate degree became a near-universal entrance requirement. While few business reformers felt that undergraduate business education should be entirely eliminated from the landscape of higher education, most viewed as ideal an undergraduate liberal education and preprofessional background²²⁴ followed by a two-year MBA program.²²⁵

Between 1955 and 1966, undergraduate offerings were abolished by a handful of elite-aspiring institutions, including UCLA and Northwestern (which had earlier received a large Ford grant for undergraduate curricular reform). Others replaced one-year master's programs aimed at undergraduate business majors with two-year programs for students with liberal arts backgrounds. Wheeler found an increasing proportion of

²²² Wheeler, "Collegiate Business Education," 8.

²²³ The analogy had become overworked by 1960. "I would advise simply deleting the sentence suggesting that the Gordon-Howell report is a business school's Flexner," Neil Chamberlain suggested to Mason Haire, who prepared an article on business education for the *American Psychologist*. "Both [Robert] Aaron [Gordon] and we would feel a little unhappy about that." (Chamberlain to Haire, December 8, 1959, F.F.A., 58-304, Section IV.

²²⁴ Gordon and Howell exemplified "preprofessional background" as including courses in the social (especially economics, sociology and psychology) and physical sciences, mathematics and statistics. They offered no solution for remedying deficiencies in these subjects in liberally educated students. (Gordon and Howell, *Higher Education for Business*, 131, 256) Flexner recommended a year's preparation in biology, chemistry and mathematics as part of a student's pre-medical education.

²²⁵ *Ibid.*, p. 254. We recommend, wrote Gordon and Howell, "that the masters degree in business require two years of full-time work, approximately half of which would consist of a core of required courses covering the same broad areas recommended for the undergraduate curriculum." (252)

students obtaining graduate rather than undergraduate degrees in business, as well as a decreasing proportion of undergraduates choosing business over liberal or other undergraduate study. (The absolute number of undergraduate degrees awarded increased by 40 percent because of the increase in the size of the cohort.)²²⁶ In institutions with both graduate and undergraduate offerings, however, there was "...some evidence that in a number of schools the level of instruction and depth of analysis are no greater in the MBA program than in an undergraduate program."²²⁷ In short, increased prerequisites sometimes preceded rather than accompanied real subject-matter differentiation.

2. *Curriculum.* Since curricular change could be fairly easily measured, at least at a superficial level, an abundance of data exists. Most of the data indicates gradual change in the direction desired by the reformers. On the undergraduate level, by the mid-1960s most schools had increased the nonbusiness, liberal arts and science requirement to half the program;²²⁸ increased the size of the professional core taken by all students regardless of specialization,²²⁹ and modestly reduced the number of credits required for completion of a major (only a few schools actually abolished this requirement).²³⁰ Overall, schools offered fewer, less specialized courses. Descriptive, institutional, and industry-related courses began to give way to managerial courses that

²²⁶ Wheeler, "Collegiate Business Education," pp. 8-9. Gordon and Howell found the latter percentage had held constant for most of the 1950s. (Gordon and Howell, Higher Education for Business, 21).

²²⁷ *Ibid.*, 11.

²²⁸ Wheeler identified eight schools which changed from four to two year colleges admitting for the junior year after a liberal arts course. Most schools continued to require a year of accounting prior to junior year core study. (Wheeler, "Collegiate Business Education," 16)

²²⁹ Clark and Opulente, Foundation Reports, pp. 5-7. Wheeler's study, confined to AACSB schools, found a decrease in core size among schools having a core in 1954. Schools lacking a core but desirous of AACSB accreditation had to implement one. (Wheeler, "Collegiate Business Education," 29-30)

²³⁰ *Ibid.*, 43-45. Gordon and Howell wrote, "Thus, against the present all too common pattern of perhaps 30 to 40 percent in non-business subjects and a 'concentration' of eighteen or more semester hours in advertising, finance, etc., our recommendations call for a strong non-business base of at least 50 per cent, a high level, analytically oriented professional core of from 30 to 40 per cent, and either no field of concentration at all or a field of concentration limited to a maximum of twelve semester units, of which six would be in a non-business but complementary field." (Gordon and Howell, Higher Education for Business, 212-213).

drew on the behavioral sciences, quantitative techniques (including computer) and the case method. While full articulation between functional and tool courses had not been achieved in most schools by the end of the foundation's activity, evaluators saw evidence of much curricular activity in this area.²³¹

Substantial expansion occurred on the master's level. Wheeler found that nearly all schools then lacking master's offerings planned to begin them within five years. Although changes in AACSB standards encouraged a decrease in specialization within MBA programs, they also led to an increase in specialized MS programs in accounting, quantitative analysis, and other areas which assumed some undergraduate background.²³² Wheeler found most programs to be of high quality (attributable in part to student quality), largely prescribed, and relatively unimaginative. A general lack of prerequisites initially confounded efforts to raise expectations of quantitative competence; Wheeler could only recommend instituting a mathematics entrance requirement (although fear of adverse enrollment implications led even elite schools to do so only reluctantly) or offering remedial work.²³³

Wheeler also found substantial growth in the numbers of doctoral programs and earned business doctorates between the mid-fifties and mid-sixties. However, much of the growth occurred (and, Wheeler predicted, would continue to occur) in schools "...which have neither the faculty nor the students to be able to develop a respectable program," leading to a "cheapening of the degree." Indeed, it was feared that this type of growth might undo many of the achievements that had resulted from Ford's intervention. Such concerns surely influenced the foundations's decision to emphasize the fellowship program in the terminal grant phases. However, Wheeler feared that as government

²³¹ Wheeler, "Collegiate Business Education," 46-48.

²³² Gordon and Howell wrote, "We have taken the view that the M.B.A. should be treated as a postbaccalaureate professional degree for students planning on careers in business or in some aspect of economic management in nonbusiness organizations. This interpretation of the M.B.A., it seems to us, requires that the business schools move from the one-year type of masters program that presumes an undergraduate major in business to the broader type of two-year program that does not require an undergraduate concentration in business subjects." (Gordon and Howell, Higher Education for Business, 273) Wheeler did not advocate abolition of specialized masters programs; besides having necessary value for certain positions, he viewed them as the best preparation for doctoral level work.

²³³ Wheeler, "Collegiate Business Education," 57-71.

fellowships began to replace foundation monies, funding officers would "...tend to allocate more on political grounds than on the basis of excellence in the programs."²³⁴ The proliferation of mediocre doctoral programs, he believed, was the most important problem to be faced during the next decade.

Broadly viewed, the history of curricular reform in business education closely paralleled earlier patterns of development in American higher education. The visibility of a foundation-sponsored report, reinforced by the standards of an accrediting body (in this case the AACSB), creates pressure for conformance to a series of quantitative norms. Unfortunately for the leaders of reform movements, a shift in emphasis from maximal reform to minimal compliance usually occurs. Indeed, standard-bearer institutions may eventually feel stifled by such requirements. "With formal time planning," wrote Bach, "there is some danger that a program may become too concerned with the formal requirements, with readily measureable progress, and the like, and too little concerned with the essence of movement, especially when the problem is a complex, amorphous one."²³⁵ Wheeler perceived "...a growing similarity of curricula among the schools of business which a few of the more progressive schools are now questioning in terms of future developments." He further observed that "the [Gordon-Howell and Pierson] Reports" have served their purpose well but they did not provide a basis for [the] radical new innovations in curricula which are needed for the future."²³⁶ On the other hand, all recognized that a short run price had to be paid to consolidate gains.

2a. *The Triumph of Quantification.* By any measure, the most important research and curricular changes during the decade of Ford activity occurred in quantitative techniques. Wheeler found the greatest curricular change on both the undergraduate and graduate level in mathematics. For example, undergraduate requirements changed from an average of six units in algebra and business mathematics to six in finite mathematics and calculus.²³⁷ Wheeler believed that the Institute of Basic Mathematics for Application to Business, conducted at Harvard in 1957 and MIT in 1959, had more

²³⁴ Ibid., 84-87.

²³⁵ G. L. Bach, "Lessons from Business Education," 12.

²³⁶ Wheeler, "Collegiate Business Education," 179-180.

²³⁷ Ibid., 20.

impact than any other single seminar, and that the seminars and workshops generally inspired much curricular change.²³⁸

The Ford staff was especially concerned with the apparent imbalance between advances in mathematics and those in the behavioral sciences.²³⁹ As Bach observed:

...[t]oday the results seem somewhat unbalanced:...The revolution in business education, subject-matter-wise, has centered around [the] increasing use of rigorous, quantitative-mathematical methods for managerial decision-making and control. Clearly there has been too little attention in the business schools to a parallel development of the behavioral sciences and to the rapidly changing environment in which business operates. One former director of EDA has suggested that, if anything, we were too successful in building up the quantitative foundations for management and that this stress threatens to dominate the new look in business education. An alternative view is that the Foundation should have been even more positive than it was, pushing more strongly to develop the behavioral sciences and work on the interactions of modern business with its environment.²⁴⁰

Programs that grouped mathematics and the behavioral sciences together, the staff noted, often led to an emphasis on quantification. Fellowship programs designed to attract social scientists to the study of business generally did not succeed, except at

²³⁸ Ibid., 167-170.

²³⁹ "While at Tulane," Martin Shubik wrote, "I was informed of the following two definitions:

1. A behavioral scientist--a behavioral scientist is a sociologist asking for money from the Ford Foundation to work at a business school.
2. A management scientist--a management scientist is an economist looking for money from the Ford Foundation to work at a business school."

The remark was probably derived from an earlier definition of a member of the Chicago School of Sociology as the son of a minister, who is paid \$50,000 by the Carnegie Foundation to locate the nearest brothel. (Martin Shubik to Kermit Gordon, March 16, 1960, F.F.A., Box 408, "Martin Shubik - Trip Reports" file)

²⁴⁰ Bach, "Lessons from Business Education," 14.

institutions where an identifiable mentor could work with funded students (for example, Paul Lazarsfeld at Columbia).²⁴¹ Some suggested that Ford's efforts in the social sciences may have failed - especially in comparison to innovations in mathematics - because behavioral scientists were antibusiness, whereas mathematicians were neutral.²⁴² However, Wheeler concluded that the more modest gains in the social sciences had been put to better *curricular* use.

Psychology and sociology have become important elements in many business school courses particularly in marketing and management....In fact...[they] have been more effectively utilized in the regular business courses than have the new concepts in quantitative analysis.²⁴³

Whether or not Wheeler was correct in this conclusion, he also pointed to another reason for the prominence of mathematics: its importance as a student screening device. Noting a decline in the proportion of undergraduate students attending business schools, Wheeler concluded that this might well represent raised entrance requirements or increased program rigor. "In fact," he wrote, "the major factor appears to be the more rigorous mathematics requirements which have led students who are non-mathematically inclined to elect fields such as history and political science rather than business."²⁴⁴ This, he predicted, would eventually lead to an increase in undergraduate student quality, especially as measured by standardized mathematics scores. But he also noted that the lack of high-level mathematics entrance requirements at the graduate level did not bode well for standards in MBA and doctoral programs, especially recently established programs.

3. *Student Body Composition.* Wheeler offered several conclusions about AACSB student-body composition. Business school students were still academically below the

²⁴¹ "Fellowship and training opportunities designed to produce hybrids did not seem to accomplish their purpose unless there was strong support already built into the academic setting. For example, EDA fellowships for doctoral candidates in the social sciences writing dissertations in business administration were not successful." (Harkavy, "Lessons Learned," 4).

²⁴² Wheeler, "Collegiate Business Education," p. 185.

²⁴³ Ibid., 187.

²⁴⁴ Ibid., 188-189.

average of university students, but their general intellectual abilities and, especially, their quantitative abilities had increased. In addition, they improved more during college than did the average college student. It was not at all clear to Wheeler that curricular reform produced these results. In a period of rapid institutional growth, schools could increase their entrance requirements (or eventually abandon undergraduate business education altogether), knowing that contiguous schools would absorb the weaker students. Indeed, one might suggest that the Ford Foundation's activities had resulted in increased institutional stratification by student ability, thereby widening the distance between the best and worst schools.

Ford's reforms did little to change the composition of the student body by race or gender. Blacks remained almost wholly unrepresented, while the percentage of women remained low at both undergraduate and graduate levels (in 1961-62, these percentages were 14.2% and 3.4%, respectively).²⁴⁵

4. *Changes in Business Practice.* "There is no agency, governmental or otherwise," wrote Wheeler, "which prevents a person from being employed in a business occupation even though he graduates from a very poor school or has no advanced education whatsoever."²⁴⁶ General community recognition of the New Look and its importance in business education would presumably require a demonstrably better product. Yet, no consensus emerged during the years of the Ford effort as to what constituted a better businessperson, or how a student should be educated to become one.

In *Higher Education for Business*, Gordon and Howell argued that the field was moving from a romantic view of business as a subjective art, one requiring "judgment rather than the accumulation of knowledge," to a more rationalist view, consistent with other professions, that effective practice relied upon mastery and application of a systematic body of knowledge.²⁴⁷ However, recognizing that the mastery of knowledge was still insufficient as a criterion for business performance, they examined what the contemporary literature had to say regarding qualifications for success in business. The literature was suggestive only: Gordon and Howell identified as the most important skills and abilities, especially for higher administrative positions, "analytical ability, judgment,

²⁴⁵ Clark and Opulente, *Foundation Reports*, 71.

²⁴⁶ Wheeler, "Collegiate Business Education," 52.

²⁴⁷ Gordon and Howell, *Higher Education for Business*, 72-73.

skill in interpersonal relations, the ability to accept responsibility and to make decisions, general administrative skills (including the capacity to lead others, to plan, to organize and delegate), breadth and flexibility of mind, imagination, facility in personal communication, and strong personal motivation.²⁴⁸ Notably absent from this list was specialized knowledge. To the contrary, such a list was quite compatible with the view that although education could not assure the requisite cognitive, affective, and experiential qualities for success in business, a non-specialized business education was the best possible preparation. Gordon and Howell recognized the oft-invoked distinction between the qualities sought by corporate executives in new employees and those sought by personnel officers, but they insisted that education for a career, as opposed to an entry-level position, required a broader education.

Nonetheless, how curricula reform might be related to changing standards for success in business remained an enigma throughout the reform effort. Harkavy related that at one point Ford "brought together a blue-ribbon group of social scientists to determine if one could design a research project to test the effect of improved business education on subsequent business performance. They told us it couldn't be done."²⁴⁹ While such a nonconclusion could be cited equally well against academicization or specialization, in practice the insurgents effectively used it against business education's dominant vocational orientation.²⁵⁰ In the end, no one seriously asked whether the reform movement in business education could be expected to have any direct effect on the American economy.

²⁴⁸ Ibid., 100.

²⁴⁹ Harkavy, "Lessons Learned," 1-2.

²⁵⁰ In 1976, the AACSB initiated an Accreditation Research project with an initial mandate to "identify a set of output criteria which describe the educational process. These output criteria . . . take the form of a classification scheme for cognitive (subject matter principles) as well as a scheme for non-cognitive attributes (skills, attitudes and personal characteristics) desired of bachelors and masters graduates of schools and colleges of business administration and management." (See "Accreditation Research Project: Phase I," AACSB Bulletin, v. 15 (Winter 1980), 1-46, quotation from 1.)

B. THE FORD FOUNDATION AS A VEHICLE OF REFORM

Can a foundation make a difference? Wheeler and most other evaluators answered yes. How does a foundation go about making a difference? The Ford experience suggested several interrelated strategies, not all of which were clear from the outset in the minds of Ford philanthropoids.²⁵¹ Ford's primary innovation was the center of excellence. The multiple centers (eight schools received 75% of the funds directed at institutions²⁵²) encouraged experimentation with varied conceptions of reform, one or two of which would likely win out in the marketplace of ideas. The Ford Foundation and its advisers had assumed that as certain lines of inquiry became dominant among the centers, they would gain rapid acceptance among the "less prominent institutions." Bach later concluded that such an assumption was naive, that the foundation had failed "to recognize adequately many of the 'practical' problems faced by the run-of-the-mill business schools in trying to introduce the 'new look'-- problems of inadequate faculty, heavy teaching loads, inadequate teaching materials, and lack of funds to compete for well-trained newcomers in the field."

The foundation may thus have failed to complete the revolution; however, it failed not because it loved dissemination less but because it loved research more. In 1953 the Advisory Committee had viewed graduate education and dissemination as being on a par with research. When such education was discussed in the abstract, even Bach stressed the "...critical importance of the dissemination process."²⁵³ But while substantial sums went for fellowship support, dissemination activities were, at best, uneven.²⁵⁴ "As thorough as this [dissemination] program appears," Bach later wrote, "it is clear that a larger investment in these activities was necessary to implement a *rapid* spread of the new look."²⁵⁵ As an example of inadequate dissemination, Bach cited "...the unfortunate

²⁵¹ Was there actually a "strategy?" Contemporaries disagreed. Howell argued that one evolved; Bach, thought it well-thought out. (Bach, "Lessons from Business Education," 11) Both agreed that some decisions were ad hoc, that the program lacked a specific time dimension, and that problems arose out of inadequate staffing.

²⁵² Wheeler, "Collegiate Business Education," 118.

²⁵³ Bach, "Lessons from Business Education," 9.

²⁵⁴ Various estimates of the proportion of Ford's business education expenditures devoted to "dissemination." None is higher than 20%. (Wheeler, "Collegiate Business Education," 107)

²⁵⁵ Bach, "Lessons from Business Education," 12.

Foundation acquiescence from the centers to change the nature of the "new developments" seminars from stress on teaching problems to research seminars."²⁵⁶ More broadly, there were limits to what a foundation could do. Ford helped provide the opportunity for the reform of business education, but even a substantial financial and intellectual investment could not compel genuine enlistment to the cause.

Of course, no one expected reform, even at the main centers, to go uncontested. On the institutional level, the foundation placed its hopes on a new generation of business school deans, providing them substantial leverage in the form of funding and -- indirectly through support of research and fellowship activities -- well-educated junior faculty dependent upon the deans for their academic futures. Although Ford attempted to routinize the reform process by holding a special seminar for new deans in the early 1960s, the consensus was that reform efforts generally failed where deans, even those armed with Ford funding, could not overcome such institutional constraints as heavy teaching loads. Such deans lamented Ford's departure from the field in the mid-1960s, before the revolution could significantly influence their institutions.

²⁵⁶ Ibid., 11-12.

C. CONCLUSION: BUSINESS EDUCATION REFORM AND THE BUSINESS COMMUNITY

"We speak of 'professional' education for business," wrote Gordon and Howell in their report, "but in what sense is business a profession?"²⁵⁷ This question concerned many business education reformers throughout the decade of Ford participation. The constant discussions of Flexner and his report, about the role of foundations, of business as art versus science, and about strategies for raising standards were all indications of the reformers' interest in emulating the steps taken by other occupations during the previous half-century. Most who investigated the issue, however, found that business failed to attain any of the usually cited criteria for professions; more important, the chances for so doing in the near future were virtually nil. Business, wrote Gordon and Howell, had no agreed upon professional standards, no governing body similar to the medical and bar associations, and no control over access. As Wheeler commented:

Now that most of the A.A.C.S.B. schools have established M.B.A. programs, the standards for entrance should gradually increase but many non-A.A.C.S.B. schools will establish graduate programs which will enroll the poorer students. There is no force which prevents or discourages such a development. This is particularly true in view of the fact that even the graduates of the poorer programs are eagerly sought by business recruiters.²⁵⁸

AACSB accreditation could, of course, direct the flow of scholarship and fellowship funds, but the only restrictions on hiring were those which corporate recruitment offices imposed upon themselves. And many believed this was as it should be. "There is no single way of entering into a business career," wrote Gordon and Howell, "and, in the view of most thoughtful observers, there never should be."²⁵⁹

However, the reformers approvingly cited one way in which business increasingly resembled other professions: its generation of a body of knowledge based upon a set of underlying disciplines. The shift toward more of a Carnegie Tech orientation, the

²⁵⁷ Gordon and Howell, Higher Education for Business, 69.

²⁵⁸ Wheeler, "Collegiate Business Schools," 189.

²⁵⁹ Gordon and Howell, Higher Education for Business, 70.

continual emphasis on research, and the elevation of business school entrance requirements were all consistent with a striving for increased rationality in business decision making. At the outset, all were in agreement about the desirability of moving in these general directions, but in time strains appeared. The Ford staff often reminded itself that "In order to avoid an exclusively academic complexion we should try to make closer connections with business and government 'policy-makers.'"²⁶⁰ However a mid-1960s report attributed the failure of a number of business school advisory committees to a tendency for business school deans to lecture to corporate executives about developments, rather than requesting their advice.²⁶¹ As the buoyant economy of the 1960s gave way to the stagnation of the 1970's, there were definite signs that in the wake of the Ford initiatives, significant distancing had occurred between the leaders of an increasingly autonomous educational-reform movement and their counterparts in the business community.

²⁶⁰ Harkavy to Carroll and Reynolds, January 28, 1957, F.F.A., Box 410, "Program Development: 1957" file.

²⁶¹ John E. Tully, "The Business School Advisory Committee-An Evaluation," Research paper 38, (Atlanta, Ga.: Bureau of Business and Economic Research, School of Business Administration, Georgia State University, February, 1967).

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